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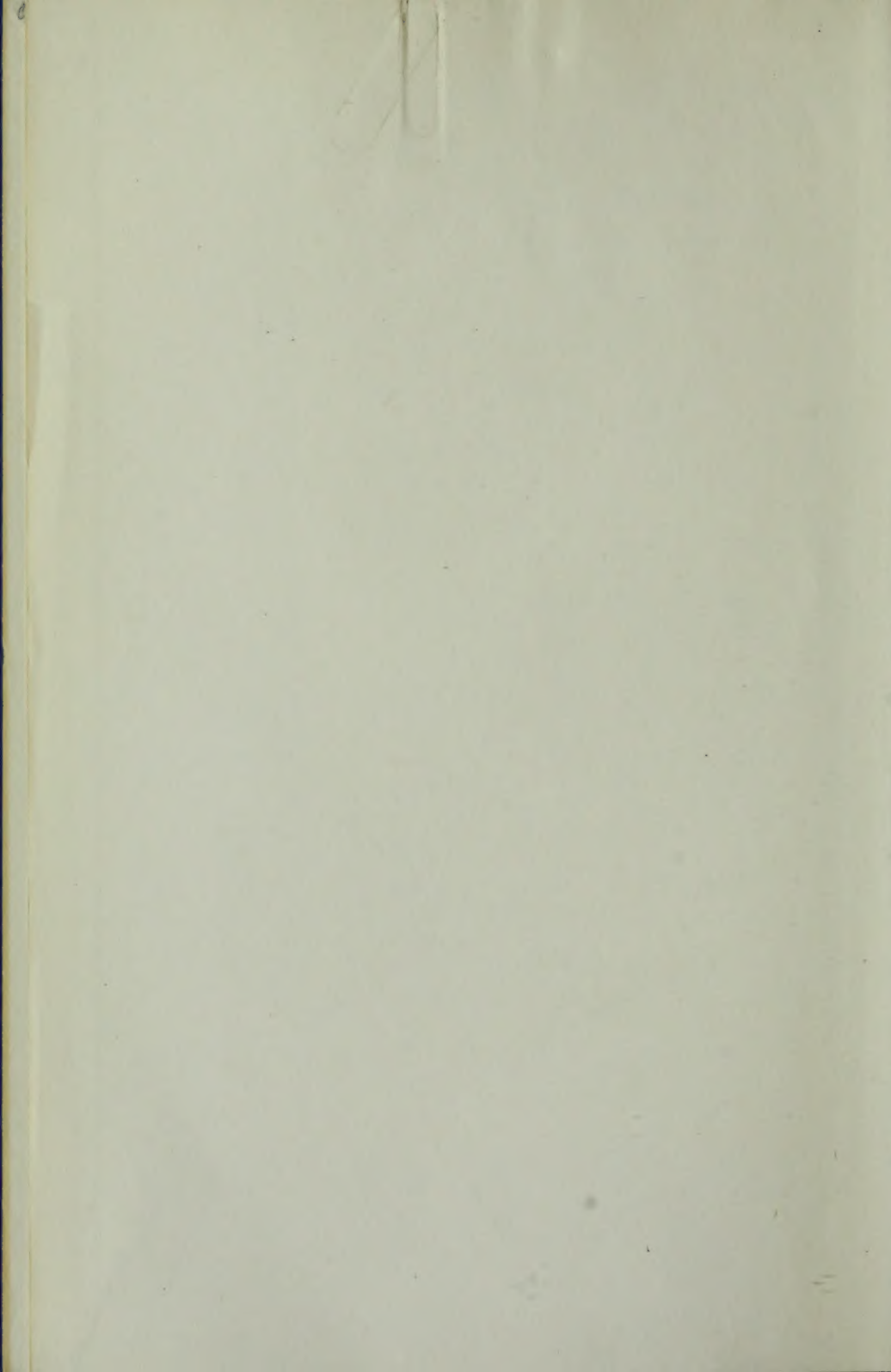
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STATE PAPERS AND PUBLIC ADDRESSES

GOVERNOR CULBERT L. OLSON

JANUARY 2, 1939

JANUARY 4, 1943



SELECTED BY STANLEY MOSK
EXECUTIVE SECRETARY TO THE GOVERNOR

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CULBERT L. OLSON
GOVERNOR OF CALIFORNIA
JANUARY 2, 1939—JANUARY 4, 1943

FOREWORD

The four years, 1939-43, have been the most eventful in the life of California.

During the forepart of that period, we were concerned with the desperately acute problems of the worst depression and gravest unemployment crisis in our Nation's history. Our proposals to the Legislature and to the people were designed to alleviate suffering, to provide employment, to streamline government in the interest of economy and to provide the necessary revenue to stem a rapidly rising State Treasury deficit.

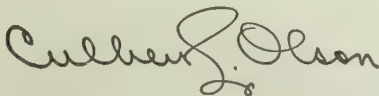
During the latter part of that period, we were plunged into the greatest war in the history of mankind. Our problems were suddenly reversed: labor shortages, the preservation of a treasury surplus for post-war reconstruction, and the transformation of all industry, farming and governmental activity from peace to war functions.

Concluding a brief four-year span thus varied, I felt it most appropriate to preserve the legislative recommendations, major public addresses and proclamations of the Chief Executive. I therefore caused this compilation in one volume to be undertaken, and hope that a precedent may be established for future administrations to follow.

Naturally this volume is far from complete. Every address that was in any respect political has been omitted, even though some expressions may have been significant in a study of the policies and purposes of this administration. Many other addresses were omitted because of their length, some because the subject was covered in other messages, many because they were delivered extemporaneously and no recordation was preserved. Similarly, only the most important of legislative messages and proclamations were included.

I have attempted, however, to include all messages and papers pertaining to the war effort in California, for I feel that posterity will record our present struggle against the vicious forces of fascism as the sternest test democracy and freedom have ever faced. Our beloved California, with its great shipyards and plane factories, its agricultural production, and its contribution of manpower to our military and naval forces, is in the forefront of the fight.

That I have been its Chief Executive during these critical four years shall always be a source of deep gratification to me.



Governor of California

Sacramento, California
December 22, 1942

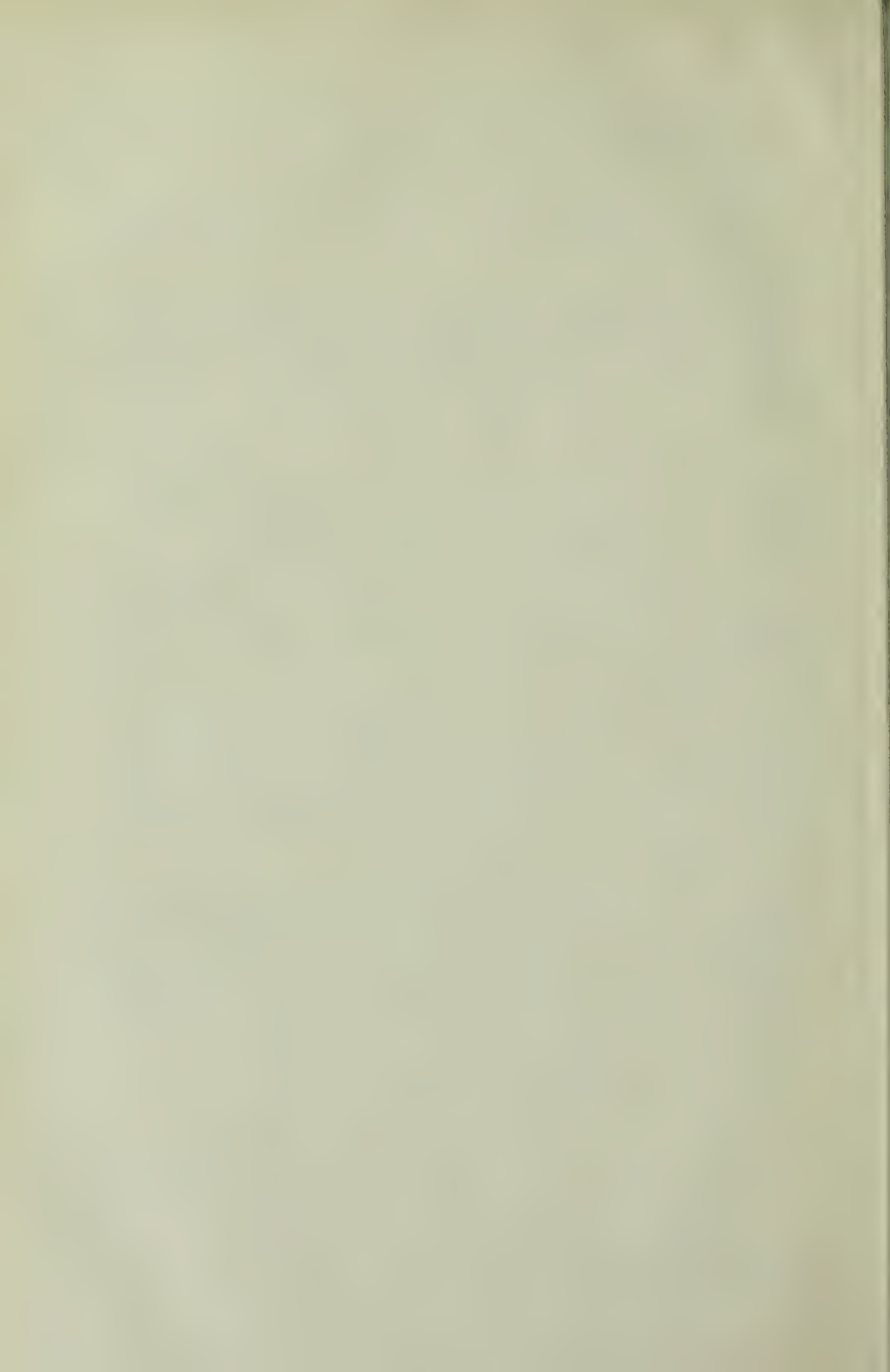


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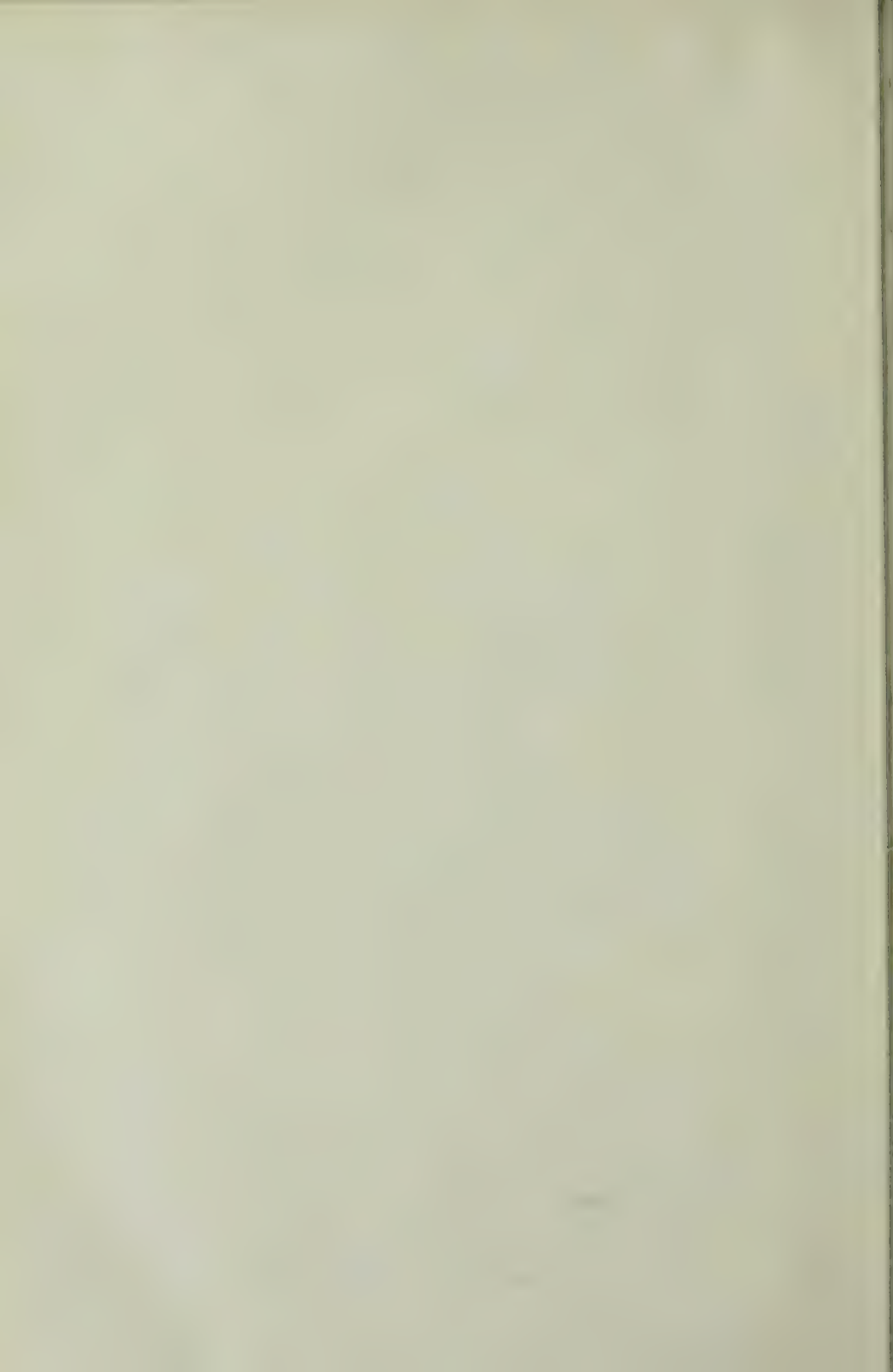
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PART I



INAUGURAL ADDRESS



JANUARY 2, 1939



INAUGURAL ADDRESS

Delivered to the Senate and Assembly in Joint Session

Monday, January 2, 1939

Members of the Legislature and My Fellow Citizens of California

It is an honor to be chosen the people's representative in any position of public service. It is a trust, the violation of which through word or deed, according to my concept, is a form of treason. How deeply I sense the honor of being elected by the people of California as their Chief Executive can be known only to me. Mere words could not express it. Words would fail me if I tried to utter them on this solemn occasion of taking my oath of office.

I approach my responsibilities with humility. I intend that faithfulness to the trust imposed in me shall ever mark my administration. It is my sincere desire that the record of this administration's accomplishments, with due allowance for honest mistakes, will in time convince the people of the sense of duty that weighs upon my heart and conscience.

I wish to assure every citizen that I enter the high office of Governor of our great State free of all prejudices, even against those who most bitterly, and sometimes unfairly, opposed my election. I respect honest differences of philosophy and viewpoint on public policies. Marked differences in partisan opinion, for the most part, arise out of differences in understanding our common problems and the methods necessary to meet them through government. These are but the natural and healthy attributes of a functioning democracy.

Every person in California, regardless of party, color, creed or station in life, must know that, not only am I without prejudice, but I regard it as my sacred duty, under the oath I have taken today, to protect every person's civil liberties, and equality before the law, with every power at my command. These are precious rights. The founders of our republic and the preservers of the Union made supreme sacrifices for these rights. They are the very cornerstone of our democracy.

As we witness destruction of democracy elsewhere in the world, accompanied by denial of civil liberties and inhuman persecutions, under the rule of despots and dictators, so extreme as to shock the moral sense of mankind, it seems appropriate that we Californians, on this occasion, should announce to the world that despotism shall not take root in our State; that the preservation of our American civil liberties and democratic institutions shall be the first duty and firm determination of our government.

America has built enormously productive facilities for manufacturing. Our scientists, engineers and technicians have literally recreated the world in which we live. It is now well known that we have both the capacity and the ability to produce abundantly for all. But these advances, wonderful as they are, have brought along their own new and extremely difficult problems. We are a long, long way from the goal of social justice. We have yet failed to solve the question of

distribution that attends our newly-developed productive skills and capacities. This failure has plunged us into hard times and depression—the longest and most persistent in modern times.

But with all of our seeming failure; with all our difficulties and economic maladjustments; despite the puzzling paradox of unemployment and poverty in the midst of potential plenty, every right-thinking citizen, native or foreign born, regards his American citizenship as his most precious possession. He knows that it is a part of the sovereign power of the people to guide their own destinies.

Confronted by economic and social crisis, are we going to move forward toward the destiny of true democracy, or slide backward toward the abyss of regimented dictatorship?

In the final analysis, this depends upon the intelligence with which the people exercise their franchise, upon the wisdom and integrity of their leadership; and upon the courage with which we face our problems.

Until all the electorate shall have the benefit of a free education to aid them in the expression of their citizenship, it may be expected that in the future, as in the past, a large proportion may be confused and guided away from their purpose to go forward for their collective welfare, by deliberately false or selfish propaganda, superficial considerations, or provincial circumstances. Such impediments may delay, but they must not be permitted to defeat the ultimate successful working of American democracy.

The seriousness of today's crisis in our economy brings home to the people in every walk of life the realization of their dependence upon each other and gives impetus to social progress. New social concepts are born through pain and distress brought upon the people by great industrial depressions such as we have been suffering. Every individual is forced to realize that he is a social being, not an independent self-sufficient entity.

This has given us a national administration with a social viewpoint, with a new deal program of government service to the immediate needs of a people left in despair by the total failure of the sterile policies of the old order that are wholly dependent for industrial activity upon the promotions, exploitations and aggrandizement of large scale private enterprise.

Independent businessmen who find themselves bankrupt after years of constructive effort begin to wonder whether the profit, or capitalistic system, is doomed to final and complete failure. But they look with distrust and misgiving upon any radical change to a new order in our industrial life. The American people are slow to make drastic changes. They feel their way, and they are feeling their way under President Roosevelt's progressive administration and courageous effort to reform our economic system, by providing measures for the protection of labor, direct aid to the farmer, to industry, to home owners, low cost housing, social security, work relief and other social welfare programs. Whether all such progressive activities are wholly or partially successful, either as temporary expedients or as permanent programs, they have saved and are saving the present economy from utter collapse. They point the way forward—toward the achievement of the aspiration of the people for an economy that will afford general employment, abundant

production, equitable distribution, social security and old age retirement, which our country, with its ample resources, great facilities and the genius of its people, is capable of providing.

Progress toward that goal is the purpose of all true liberals and of the liberal movement within the party to which I belong.

The results of recent elections in certain of our States are interpreted by a few as indicating a set-back to these liberal and progressive policies. By more impartial observers, they are attributed to local factors unrelated to any issue as between liberalism and reaction.

However those incidents may be interpreted, it is certain that the American people can not go backward, if our democracy is to endure. They must go forward with further measures calculated to improve their general welfare and eliminate every form of special privilege or class control in our economic system.

The people of California emphatically declared in our recent election that this State shall go forward, not only in support of the new deal measures of the National Government under President Roosevelt, but also with State measures having the same objectives.

The people approve the sound, sensible and thoroughly progressive platform of principles and policies upon which my associates and I were elected. They have given a mandate to you and to me to translate those principles into law and sound government procedure as promptly and effectively as it is possible to do.

There should be little room for doubt in our minds as to the kind of government the people of California demand. The issues were clear and the decision rendered at the polls was so conclusive as to leave each of us no false or shadowy concept as to the road we are to follow. There is none among us who can doubt that the people have voted for a government that shall honestly place human values before material values; that they want a government that will do the human thing in a sound and workable way, unswerved by pressure from any self-seeking group or special interest.

With that mandate, I approach my duties as Chief Executive, confidently relying upon your fullest cooperation. The people expect such cooperation from you and I shall rely upon your willingness to cooperate—your willing assistance in performing that mandate. I am certain that you, as well as I, deem it a solemn duty to respond to the will of the people. Good faith, unselfish, nonpartisan cooperation between the legislative and executive branches of our government is expected of us. We must not fail in our duty!

All of us, of all parties, employers, employees, the professions, the unemployed, the youth, the aged, and the helpless—are primarily concerned in the achievement of a common goal; a higher and more equitable standard of living, a higher and more cultured standard of thinking; the replacement of prejudice with reason; the eradication of the causes for class consciousness and group antagonisms, and a citizenship motivated by a sense of social and civic responsibility.

The people of California want employment, a decent standard of living, education, opportunities for youth, social security, old age retirement, protection against pauperism and starvation. Activities in private industry and individual enterprise must be guided by these social objectives, if our present economy is to survive.

Owners of capital and means of production and distribution must realize their responsibility to society—not to radically engage in human exploitation, but to conservatively engage in management for human advancement. They must be satisfied with stability and permanency of investments for strictly conservative and safe returns. Our policies in the field of industrial relations will be to aid in establishing this sound basis for industrial activity.

With assurance guaranteed by our Constitution that no confiscatory purpose will be found in any of our acts as representatives of the people, who are sworn to uphold their Constitution, honest business has nothing to fear from this administration. But any and all efforts, in the name of business, to defeat the general welfare, to obtain special or selfish privileges, will be vigorously opposed. Any effort to extend a corrupting tentacle into any department of our State government will be pilloried and those responsible for it will be found and punished to the full extent of the power given the executive branch.

This administration will function both on behalf of the economically submerged part of our population, whose poverty presents the greatest challenge to the success of democracy and the preservation of the present economy, and on behalf of California's industries, employers and employees, and all citizens dependent for their well-being upon the healthy normal growth of the economic life of California.

Let me assure all business men and business organizations that in their transactions with the State they need neither political pull nor political lobbyists in order to obtain a fair hearing, and a fair and a square deal under the law. Legitimate business concerned only in honest intelligent enactment, and honest and efficient administration of law, may only injure its own cause before the people and with this administration, by employing professional political lobbyists to represent it in its dealings with the State.

We need—we must have—a larger production and use of consumer goods in California. Increased business and the steady employment of all our employable citizens upon a decent American standard of living is necessary to that accomplishment.

We must reduce the burden of taxes which private industry and those employed in it are now required to bear in order to support in pauperism those for whom employment can not be found.

That part of the Federal Government's work relief spending allotted to our State, generous though it is, finds employment for only about one-fifth of the unemployed employable residents of California, and the discontinuance of even this inadequate relief work is threatened.

New avenues of employment must be created by California's industries or by the State, or by both. To this end, business, labor and government must cooperate with a new sense of their individual and collective responsibilities. We must work hand in hand for the general welfare.

We know, of course, that the problems and responsibilities of California industry in recent years have been multiplied in number and complexity as State and National incomes have decreased and general unemployment has been met only by doles, debt and increased taxes.

Instead of idly theorizing on causes, we must face conditions and meet them with common sense and practical action. Unemployment and

poverty is assuredly a condition which need not prevail in bountiful California.

I am not speaking of the unemployment of that negligible few who are drones in society, unwilling to work. Society owes them no obligation. We are concerned with honest, American citizens, looking for a place in our economic structure, willing to work; unwilling to accept or unwillingly accepting charity from government or private sources; all eager for an opportunity to engage in useful service and to live a life which expresses a natural personal pride and a natural aspiration for self-support. If we were facing impossible physical conditions; if we were not blessed with ample natural resources and productive power, our problem would indeed be distressing. Poverty might then be unavoidable, even to the most industrious. But our unbounded natural resources, our great productive power—human and mechanical—challenge our intelligence to find the methods for general employment, for ample production and distribution of the things of life, for the needs and comforts of every deserving person, for educational advancement, and a cultural development to a higher, a more sensible, a more reasonable, a more enlightened and worthwhile civilization.

It is of supreme importance that we take action—action on the part of the government in cooperation with private industry to provide general employment, industrial activity and increased production and consumption by our own population of the various and sufficient commodities which our rich natural resources, plant facilities and man power amply afford.

Your government's part in this action should supplement, stabilize, stimulate and increase the growth of private industry, rather than injure it. Honest cooperation is all that is needed for peaceful progress toward general prosperity.

A detailed study of the requirements of our various State agencies and institutions in preparation of the budget for the next biennium, soon to be presented to the Legislature, shows that we have inherited from previous administrations a deficit which will amount to a total of about forty-five million dollars by June 30, 1939, the end of the current biennium. California is and has been in the "RED" during the past two administrations. I do not refer to this for the purpose of placing blame on those previous administrations for an unbalanced budget, but to call attention to the serious financial problem we are facing, as will be more fully explained when our essential budget requirements are presented to the Legislature.

Our efforts have been and will be to eliminate all unnecessary costs, to abolish overlapping and duplicating agencies of government, and to practice every reasonable and practical economy, without crippling or eliminating necessary State services.

With all possible economy, a heavy tax burden, during the next biennium, can not be avoided.

The distressing problem of mounting taxes is, of course, directly linked with the problem of unemployment and relief.

We face the continued necessity of meeting nearly one hundred million dollars per biennium, to pay small cash doles to those now on State relief, without furnishing any relief to some two hundred and seventy-five thousand eligible applicants who, with their families, can

not now find a place on our relief rolls. Only a definite policy of tax relief through self-help employment can relieve the taxpayers of the State from this staggering and increasing burden.

In order that we may discontinue, as soon as possible the maintenance of employable people in idleness, I submit to the intelligence of the legislators, to the intelligence of the taxpayers, to the intelligence of the industrialists and businessmen of the State, to the intelligence of the unemployed themselves, that we should substitute for the present policy of paying niggardly cash doles for unemployment relief, a new policy of placing the unemployed at productive work to support themselves.

In the field of private industry, the right of organized labor to honest collective bargaining must be protected; minimum wages must be established and vigorously enforced to maintain a decent American standard of living; vocational training must be extended, and the doors of employment and of opportunity for advancement, through useful and meritorious service, must be opened to the eager, splendid youth of our State. Youth's social-minded ideals, developed while in training for lifetime service, must not be shattered upon their entrance to adult life by a selfish, cold, unwelcome world.

California's elderly citizens have taken the lead in bringing the general public to the realization of the plight of those who, having served their best years in American industry, must be left to spend their declining days in poverty and misery, unless social security programs provide for their retirement in health and comfort.

Such programs have been started, with provisions for partial aid to the support of those in need who have reached the age of sixty-five years. California has more than matched the small amount (\$15.00 per month) provided for such eligibles by the Federal Government to make a total of thirty-five dollars per month. This amount, however inadequate, is more liberal than that paid by any other state. A total of thirty-two and one-half million dollars per annum is now required of the State and the counties to meet this pension; yet the amount of the pension is too low and the age limit too high. For our State to meet the amount required to provide this inadequate pension for those of its citizens who find themselves in need of pensions at the age of sixty years would require approximately forty-eight and a quarter million dollars per annum.

Old age pensions must be furnished by those who are producing and by the machinery of production.

Public support of the old or the young can only be furnished by taxation in one form or another.

When other states fail to provide aid for their aged, equal to ours, it may naturally be expected that their citizens approaching the eligible age will seek residence here. This places a disproportionate share of the tax for this worthy social purpose upon our State. For the purpose of uniformity, it is necessary that old age pensions, in their entirety, be financed by the Federal Government. We shall continue to urge an adequate Federal old age security program.

Meantime we shall favor State aid for pensions to the aged to the limit that State finances will permit. That limit, however, because of the tax necessary for present unemployment relief, may for a time at

least, be very nearly reached. But as our tax burden is linked with unemployment, so is it linked with the need for old age pensions. More liberal old-age pensions may be anticipated when the unemployed are placed at productive work for their own support and the heavy tax burden for unemployment relief is thus reduced.

That great and important part of our State's population—the farmers who are compelled to market their products at a price below the cost of production, have patiently carried on their struggle, but with just discontent over this unnecessary condition. In recent years, the California farmer has bravely faced the impact of overwhelming economic forces. He has stood by while his export markets have rapidly dwindled. He has suffered the shock of innumerable technological developments, in both industry and agriculture. He has been affected by the same powerful and unrelenting swings in price and supply which have wrought havoc in the lives of our city people as well.

The courageous endeavors of the farmers of California in meeting their problems, shall receive every deserving service within the power of this administration to render. Assistance on the part of the State shall be to develop markets and marketing methods which will bring the products of the soil to the consumer with the least possible toll to intermediary agencies; to protect the farmer's income against demoralizing competitive trade practices; to find an outlet for those surplus products of the farm for which a market has not heretofore been found.

If minimum prices for our farm and dairy products are safeguarded against selfish, unfair trade combines in the retail distributive field, and if the spread of profit between producer and consumer is placed on an equitable basis, a greater consumer demand is certain to result. Low cost distribution—which means the elimination of excessive and exorbitant profits to the nonproducing elements in our economic system—is a matter which demands a new spirit of cooperation and active governmental service. It shall be the business of this State administration to see to it that unjustified distributive profits shall not be exacted at the expense of either the producer or the consumer. In this we shall seek and expect the cooperation of those engaged in legitimate distributive services, to insure a fair and reasonable return to all concerned.

We shall work hand in hand with the national administration, in aiding our farmers in flood control, in the prevention of waste by erosion, in afforestation and reforestation; in rural resettlement; in providing decent, healthy living conditions for agricultural labor; in obtaining money and credit at minimum interest rates; and in securing water and power through government owned and operated utilities, at the lowest possible cost.

I have long been committed to the proposition that where a service is or becomes necessary to the daily life or existence of all the people and is in effect a monopoly it should be owned and operated by the people through their own government. In this field of public utilities I see no justification for pyramiding private corporations owning or controlling the natural resources of the State and exacting tolls and profit, often exorbitant, out of a business which should be no more than a nonprofit service to the general public for its health, comfort, and welfare. The people can and should use their democracy and their

government for their own well-being. In accordance with this principle this administration will, in all possible directions further public ownership and operation of public utilities.

There is a marked analogy in the circumstances of the present change of administration in the government of California and that which occurred over twenty-five years ago.

In 1910 the entire State government was under the almost complete domination and control of the principal public utility of the State and its affiliated interests. The people then drove this control from power. Since then, privately owned public utility interests and powerful oil and gas producing and distributing interests, have again moved in and have been exercising control of legislation and administration to such an extent that the natural resources of water, power, oil and gas have been exploited primarily for the enrichment of such interests. These resources have not been protected and their exploitation has not been regulated in the interest of the people.

With the aid of a subsidized daily press, and cleverly designed and costly publicity methods, they have from time to time influenced the people to vote against their own interests, through false and misleading propaganda.

As recent as the last November election will be found an illustration of this misguidance of the people by such false propaganda, resulting in their voting against ratification of the Garrison Revenue Bond bill passed by the Legislature in 1937, which would have enabled communities to finance the acquisition or building of their power plants or other public utilities by the issuance and sale of revenue bonds. A thoroughly organized campaign, financed from moneys received from the people for public utility services, was carried on, which falsely told the voters that under this measure their homes and farms would be subjected to the lien of such revenue bonds. No agency of the common people was organized or had the necessary finances to meet this false propaganda. The past State administration failed to speak out in favor of the people's interests and against the perniciously false propaganda of the private utility corporations. It remained to some of us in the Legislature who supported this measure, and to a few other understanding citizens, to reach as many voters as we could with the truth.

Similar false propaganda defeated Senate Bill 579, for the protection of the people's interests in tideland oil and gas deposits at Huntington Beach. With the misleading slogan of "Save the Beaches," applied to a segment of the beach already ruined by oil wells, voters were misguided on that issue.

It shall be the policy of this administration to conserve and protect our great natural resources and control their exploitation in the common interest. The use of these resources and their products is essential to the lives of all of the people of the State, and must be obtained at the lowest possible cost to the people.

The construction of the great Shasta dam of the Central Valleys Project was instituted as a Federal Government project. The Federal Government looks to this State and to its subdivisions to be prepared to receive the benefits of this project, not only in the equitable distribution of its water, but in the utilization of its hydro-electric power, through public agencies. Unless public agencies are prepared with distributive

facilities to receive such power upon the completion of this great project, a monopolistic power trust would be the only entity ready to contract with the Federal Government for the distribution of this power, with the result that the people of this and future generations would be forced to pay unnecessary and exorbitant tolls.

It shall be the purpose of this administration to promote the means for public ownership and operation of plants and distributive facilities for the distribution of this electric power to the people at cost.

During the next twelve months, millions of men, women and children will come as welcome visitors to our great Golden Gate International Exposition which opens on Treasure Island in San Francisco Bay next month.

Symbolic as it is of the modern achievements of a progressive people, this Golden Gate International Exposition means for us something greater than a material display of the pride of human accomplishment. It is a fitting monument to the integrity and character of the people of this commonwealth. And it must signalize for all of us the permanent virtues of a united faith in the future destiny of California.

Fervently do we hope that the spirit of true friendship so magnificently exemplified by this exposition of modern progress will engender in each of us, as public servants, a noble appreciation of the everlasting value of unselfish devotion to the cause of honest, liberal, constructive, humane government.

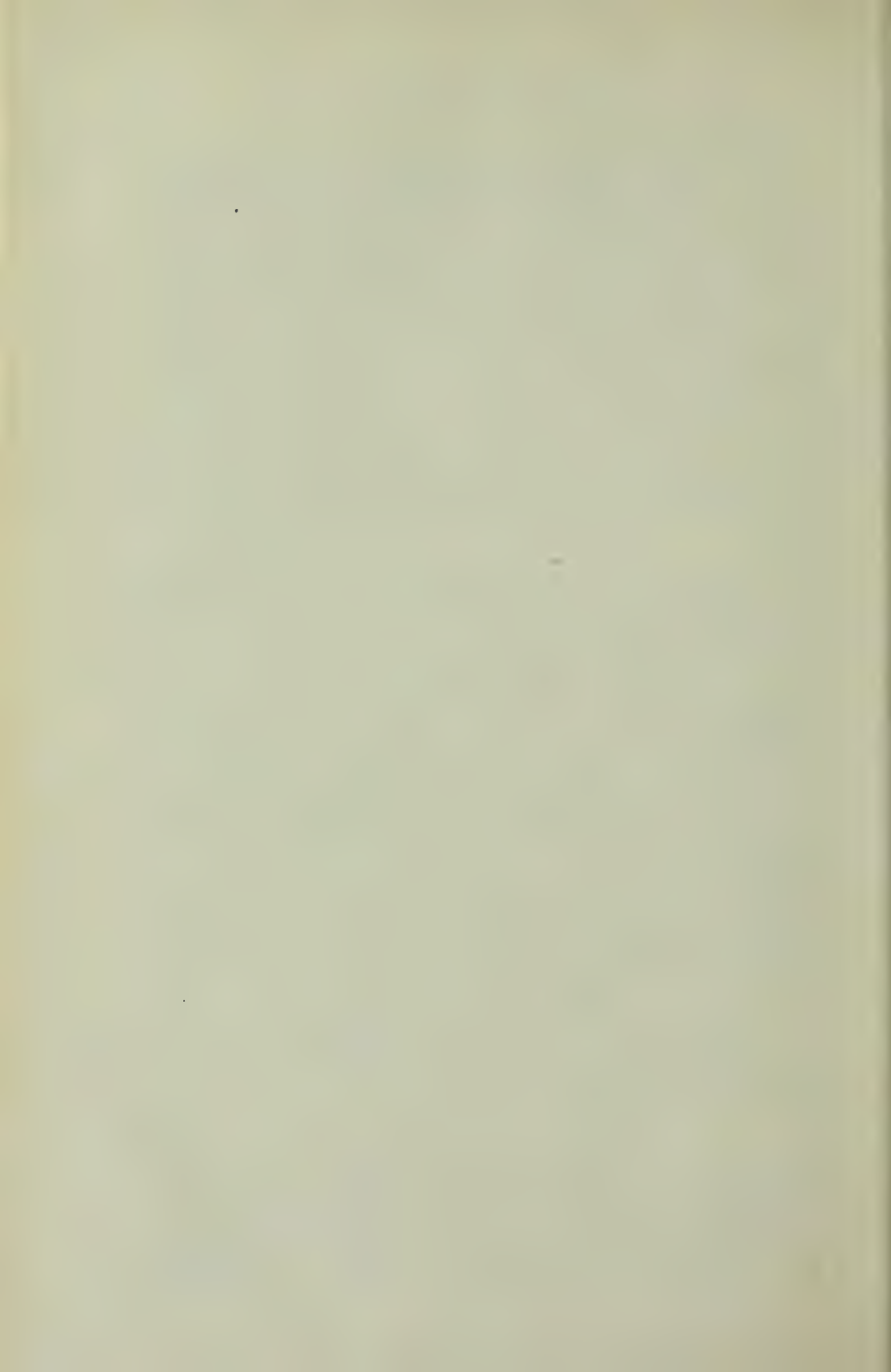
For the successful accomplishment of the task confronting us, we shall call forth the best in each of us in a spirit of genuine devotion and supreme fidelity to the oath of office we take as we enter the service of our State.

Our hopes for progress are high; our desire for unity of action and accomplishment through a conscientious application of our respective talents and energies, as a grave concern of all alike. Surely, in each there is a full measure of loyalty and patriotism which will find expression during the months to come in advancing the welfare of the people of California.

Preelection battles are behind us. Let them remain behind us. Let us now approach our duties and our problems without bias or selfish purpose.

Memorable indeed should be this new year upon which we are embarking with courageous purpose to meet and solve our common problems.

With solemn recognition of my sacred duty to the people of California, I enter upon the Governorship, deeply conscious of the great work which lies before us in the interests of social and economic progress through liberal government.



PART II



MESSAGES TO THE LEGISLATURE



FIFTY-THIRD LEGISLATURE

REGULAR SESSION

CONVENED JANUARY 2, 1939



HEALTH INSURANCE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, April 13, 1939

To the Senate and Assembly of the State Legislature of California

GREETINGS: I wish at this time particularly to call your attention to the health insurance measures, Senate Bill No. 1128 and Assembly Bill No. 2172, and very strongly to urge their passage.

It is no longer seriously debated that a fundamental change is needed in the method of meeting the costs of medical care and the risks and loss of sickness, especially for wage earners and others of small or moderate income.

The unemployed and those on relief must of necessity be cared for at public expense. The more prosperous can be cared for under the existing system. But between these groups lies the much larger group of employed persons earning up to \$3,000 a year, who are able to support themselves while employed and in health. For them unpredictable serious illness means disaster and destitution.

We have already provided insurance compensating these employees for losses due to the cessation or loss of their jobs, or due to accident or illness incident to their occupations. But there is as yet no provision for medical care for them, or of compensation for losses due to non-occupational sickness or injury. The purpose of these bills is to provide for this contingency, which is in many cases the most serious crisis in the life of a worker and his family. Many studies have shown that this is the largest contributing cause of destitution among normally self-supporting people.

There is also virtually unanimous consent, at least in California, that the way to meet this risk is to spread its cost over the group, by insurance. The average financial burden of sickness is well within the ability of employed wage earners, industry and society to meet. The burden is being carried now after a fashion, but the results are characterized by disaster to the individual worker; because sickness strikes him with unaverage force. One worker may have a costly illness near the beginning of his earning life. Another may go many years in perfect health. The best way to meet this unaverage risk is by insurance; just as we now meet loss by fire, death, unemployment and occupational accident and disease.

There still remains uninsured, one great risk having inescapable social aspects, implications and obligations; the risk of nonoccupational illness. This risk is already insured in nearly every other highly industrialized country in the world. It is now time that it be done in our country. It is readily susceptible of being done on a state-by-state basis. It's time that we have a broad compulsory health insurance program in California.

The need and the demand for health insurance is demonstrated by the many plans of commercial, cooperative, industrial and other

private or voluntary systems now in operation or recently proposed. Many of these have served, and may continue to serve, a useful purpose within their limits. But, by their very nature, they have not met and can not meet broad social requirements. They can not cover the whole group. They inevitably omit a large number of those who need protection most.

The only way to make such a system comprehensive enough to be socially adequate is the way it has already been done in this country with workmen's compensation and unemployment and old age insurances, and as has been done with health insurance in twenty-four of the twenty-seven countries now having such systems. That is to make it universal, by making it compulsory.

These observations are made in the light of a literally world-wide experience with health insurance, and of American experience with related forms of social security. The applicability of health insurance to American conditions has long been under discussion in this country. Exhaustive studies have been made which are available to all inquirers. A movement in this direction is therefore no leap in the dark or unconsidered experiment.

The time has now come to translate that experience and study into action. I hope California will take the position of leadership in such action; a position it long ago held in workmen's compensation. Health insurance will spread rapidly from State to State, as workmen's compensation did. It will become as universally accepted. California should lead, not follow, in this inevitable progress.

The bills to be presented for your action are based on mature consideration of all this experience and study. They will stand the test of the sharpest scrutiny. If they should be found, in any detail, to need further amendment in the general interest, that is a part of the normal process of legislation. I hope they will not be amended under the pressure of any special interests which can not be identified with those of the whole people.

They will provide the worker, at a cost of one per cent of wages each, from the worker, the employer and the State, the most comprehensive medical service yet covered by any health insurance system, together with unemployment compensation while disabled by illness, at the same rates provided by law for unemployment due to other causes.

I do not, in this message, go into the further details of these provisions nor do I refer to specific criticisms. But I do append a more detailed statement for your consideration.

My purpose in thus addressing you is to urge on you, very earnestly, your open-minded consideration of this vitally constructive proposal and your favorable action on it at this session. You will thus be meeting what I am confident is the wide-spread wish, as well as the great need, of the people of California.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

Appendix to Governor's Message to the Legislature Re: Health Insurance Bills—Assembly Bill No. 2172 and Senate Bill No. 1128.

The proposed health insurance program embodied in the companion bills, Assembly Bill No. 2172 and Senate Bill No. 1128, offers California a proved solution of the urgent problems which illness brings to wage earners and their families. These problems rest in the two-fold calamity which sickness involves—lost earnings and added expenses. Through a logical extension of our social security machinery the health insurance plan attacks the "lost earnings" aspect of illness by doubling the worker's unemployment protection. It provides a new unemployment benefit payable during incapacitating illness.

The health insurance plan meets the "added expenses" part of the sickness problem in two ways: (1) by providing actual medical and other remedial care and (2) by granting cash allowances toward medical and hospital bills incurred. The latter is offered to those whose annual earnings exceed \$3,000, and who, under the plan, are left to make their own arrangements in regard to the medical and other care they may need.

In case of those who earn not more than \$3,000 a year, actual medical and allied services are guaranteed. These include general medical care (including laboratory and X-ray analysis), major surgery, obstetrical services and all emergency specialist services, hospital care (including ambulance service) and drugs, both for the insured worker and for his wife and his dependent children.

Special maternity cash benefits are made available to insured women, to induce at least eight weeks' rest from employment at time of childbirth.

In respect to medical benefits there are no exempted groups except employees who must be omitted because they are subject to the exclusive control of the Federal Government.

In addition to the compulsory insurance provided for employees, the plan offers insurance for medical benefits on a voluntary basis for self-employed farmers, professional men, proprietors of small businesses and other persons whose annual income does not exceed \$3,000. This is a very important part of the program. The need of such people for health insurance is pressing. They can hope to obtain it on a low cost basis only when the voluntary insurance is tied to and safeguarded by a broad compulsory system which will ensure real averaging of sickness risks. A purely voluntary system open to individuals, inevitably is faced by adverse selection of risks and consequently high premium cost.

The doctor-patient relationships of private practice are preserved in the insurance plan. They are improved by the fact that the undesirable economic barrier raised by the doctor bill is removed. General health insurance practice is opened to every person holding a physician's and surgeon's license. The insured is allowed to choose (and change) his doctor. The doctor retains his private practice privilege of rejecting any person he does not wish for a patient.

Each beneficiary will be asked to select the doctor he wishes to have responsible for his general medical care. Those who do not trouble to make such selection will be assigned (subject, of course, to the veto of either doctor or patient) to the medical lists of such doctors as

wish to add to their practice. The plan requires this assignment to be made in accordance with general regulations, guaranteeing an equitable distribution of this practice among those desiring it.

The doctor, on accepting an insured person for his medical list, accepts responsibility for the general supervision of his health and for giving general services as they are needed in accordance with the standards of good medical practice.

Payment of the doctor will be made on the basis of the number of patients for whom he is responsible and not on the basis of the actual units of service he may render to any particular person. Certain very sturdy persons on his medical list may require no actual medical attention year in and year out. Others may need frequent visitation. The doctor will be paid a quarterly sum for each person whether service is rendered or not. Against the ones who make minimum demands on his time will be weighed those who are a continuous problem. As experience elsewhere has shown, with any fair amount of practice, the work will tend to average out according to the number on the medical list, and, of course, the more successfully the doctor can avert serious illness the lighter his burdens will be. This system of payment makes it greatly to the interest of the doctor to keep his patients well. In this respect it is in marked contrast to the fee or "unit" system of paying the doctor only when the patient is ill. The latter system places the doctor's financial advantages with sickness rather than with health.

In contrast again to the unit system, which facilitates imposition on the fund by the less conscientious practitioner who runs up his claims by unnecessary visits and calls, the system adopted makes such imposition impossible and promotes a fair distribution of the moneys available for medical remuneration. This, of course, makes feasible a minimum of supervision of the practitioner while under the unit system supervision must be rigid and very extensive.

In addition the adopted system frees the doctor from bookkeeping and accounting duties. Any tendency to neglect the patient is checked by the latter's right to change his doctor.

The plan offers the doctor practicing general medicine for insured patients, the opportunity of improving the standard of his medical work. It permits him, through diagnostic centers, to have laboratory analyses and X-ray analyses made when necessary to proper diagnosis. Now he must trim his use of these techniques to his patient's purse. It permits him consultation and specialists' assistance when needed in acute illness cases and it does not penalize him financially for seeking needed specialist care for his patient. In private practice, in contrast, the general practitioner suffers financial loss when he turns his patient over to the specialist.

Private as well as public diagnostic centers will be used under the insurance plan, and the equipment of individual specialists will be eligible for approval in insurance work as "correlated units of private centers, integrated with the services of approved private hospitals."

A few very costly and necessary drugs and medicaments (serums, vaccines, toxins and antitoxins), such as insulin and pneumonia serum, will be dispensed directly by the diagnostic centers.

In general, the patient will be permitted to have prescriptions given by his insurance doctor filled at any pharmacy which wishes to participate in the insurance work. Set prices will be paid from the insurance funds for drugs prescribed.

Hospital work and laboratory work will be paid for by the insurance authorities at rates comparable to the costs of efficiently operated public laboratories and hospitals in the area.

Authority is granted the administrative agencies to vary the usual medical arrangements when necessary to produce the guaranteed services. This is particularly necessary in the face of the conditions found in certain rural and mountainous areas of California. In fact, the complete creation of health facilities will be required in certain parts of our State.

The new wage loss security contemplated by the health insurance plan will be financed from the existing unemployment contributions. All new contributions will be used for medical, hospital and allied services.

Contributions will be divided three ways and because of apparently insuperable administrative obstacles to the sliding scale contributions originally contemplated, they will be on straight percentage basis. The employer's contribution will add exactly 1 per cent to the wages he pays to his workers. The insured worker will contribute 1 per cent of his wages. The State (with the assistance of a Federal grant-in-aid if and when announced Federal plans materialize) will duplicate the employer's share.

The plan calls for integrating the administration of health insurance with existing unemployment compensation agencies. There will be no duplication of existing governmental machinery. No new collecting, disbursing or wage-record keeping agencies are necessary and none are contemplated. The general reporting burden of the employer will not be increased. The records which he now must keep and the reports he now must make for unemployment insurance will serve for health insurance as well.

The health insurance code accepts the constituted governing authority of the Department of Employment. It adds an advisory council, the advice and consent of which must be obtained in the making of rules and regulations affecting general policy under the health insurance code. This council will comprise representatives of each of the three largest labor organizations of this State (chosen by the Governor from panels presented by each of the labor organizations), representatives of employers' organizations (chosen by the Governor from panels similarly prepared by employers' organizations) and three representative doctors. These doctors will be (1) the State Director of Public Health, (2) a representative of the medical schools (chosen from the panels presented by the schools, graduates of which are eligible for the physician's and surgeon's license) and (3) a representative of the doctors registered for practice under the health insurance code (chosen from a panel presented by such doctors).

A bureau headed by a medical executive director (selected under civil service regulations) will administer the medical and allied services. This bureau will be placed in the Department of Employment as a companion bureau to the unemployment compensation agency. The

staff of the medical benefits bureau (civil service, of course) will include district medical supervisors who will function, among other things, as medical referees. British experience over many years has proved that the cost of such referee service is socially justified. It secures the conscientious physician against competition from "easy certifiers" in his own profession and also protects him against annoyance from the occasional lazy patient who insists upon a certificate of incapacity which his physical condition does not justify. While such patients fortunately are few in number, they have a nuisance value out of all proportion to their number.

The proposed health insurance bill states that its provisions for disability cash benefits and its provisions for medical benefits are "correlative units of an integrated system of health insurance" which must stand or fall together. This is a very important principle—not merely because both types of benefit are required for adequate health insurance but also because disability unemployment benefits can not be administered without the aid of a cooperating service benefits bureau.

The proposed compulsory program does not pretend to include all that an ideal and completely developed health insurance system eventually should contain. It is offered as a sound initial program which, in contrast to the beginning programs made elsewhere, furnishes the essential foundation and structure of an adequate health insurance plan.

UNEMPLOYMENT INSURANCE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, April 14, 1939

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: Unemployment insurance is the first line of defense against the hazard of unemployment. Since unemployment insurance is designed to alleviate the consequences of unemployment and to reduce the relief burden of the State, its proper functioning is of vital importance to the public welfare. One million six hundred thousand California workers are now protected under this system of insurance and since January 1, 1938, over 300,000 individuals have received benefit checks.

It has become apparent that the benefits could be extended to a larger group of workers and that the sums given as benefits could be liberalized without increasing the rates of contribution.

Experience has also shown that certain administrative defects should be corrected by legislative action at this time to insure the expeditious handling of claims and the prompt payment of benefits to workers entitled to them as a matter of right.

I recommend to you the enactment into law of several important corrective features:

Coverage

The act should be amended to extend its protection to employers who employ one or more workers. The present limitation of coverage to employers of four or more workers is inequitable. The man who works for a small employer is no less in need of protection than the employees of larger establishments. Furthermore, it should be emphasized that there are no serious administrative difficulties in bringing small employers into the system.

The act should be further amended to include certain occupational groups not now protected. The present act excludes employees of certain nonprofit organizations and it therefore denies the protection of this law to many thousands of workers. These workers need this protection as urgently as those working for commercial and industrial enterprises and the law should be amended immediately to include them within the system.

Agricultural workers and domestic servants constitute two large groups of workers not now within the protection of the insurance system. They should be included at the earliest possible date, but before this can be effected it will be necessary to devise practicable administrative procedures.

It is my recommendation that the Legislature direct the agency administering unemployment insurance to make a thorough study of the problem and report to the Governor prior to the next session of the

Legislature on administrative procedures that would make such an extension feasible.

Benefits

Since the purpose of unemployment compensation is to secure to workers an adequate, though minimum, support during periods of unemployment, I strongly recommend an amendment to the act which will provide generous benefits for longer periods of time. The financial status of the unemployment insurance fund is such that this can be done without increasing the rate of contribution and without endangering the solvency of the fund. Studies based on actual claims experience are now available to guide the Legislature as to the extent to which liberalization can safely go.

Administration

The administration of unemployment insurance in the State of California constitutes a vast enterprise involving the protection of the rights and the welfare of over a million and a half workers and the direction of an administrative staff now in excess of 2,500 State employees. The proper dispatch of all the varied functions of this organization requires the most efficient type of administrative organization.

We have in California a departmental system, the heads of which form a Governor's Council similar to the President's cabinet. The agency responsible for the administration of unemployment insurance should be represented in this council.

This can be accomplished by changing the administrative organization from that of a commission to a director appointed by the Governor. It should furthermore be pointed out that students of public administration are tending to believe that State agencies such as unemployment insurance, whose functions are largely administrative in character, should be administered by a single director with full authority and, therefore, with full responsibility for the efficient administration of the agency, rather than by a part-time commission. Experience in the administration of the California Unemployment Reserves Act verifies this conclusion.

I, therefore, recommend that a bill be passed creating a Department of Employment to be administered by a director named by and responsible to the people of the State of California through its Governor. I also recommend that such legislation provide that the present administrative commission organization be replaced by a representative advisory council appointed by the Governor to advise with the director of the department with respect to policy matters.

A suggested bill, embodying these recommendations is annexed hereto for your study and consideration. The contents of this bill could be amended into any bill in the AB 2267 to 2306 series dealing with unemployment reserves, which may not otherwise be needed.

Provisions to Insure Fair Hearings to Employers and Employees

It is inevitable that disputes will arise over claim determinations. To handle these cases the present act provides for the appointment of referees to hear disputed claims. These referees are appointed by the commission. The present act further provides that if the parties

to a dispute are still dissatisfied with the decision of the referee the case can be further appealed to the commission itself. In practice, this arrangement has proved highly unsatisfactory. For the commission or its staff members to participate in or even to be so closely associated with the process of adjudication is to put them into the position of being judges in their own cases, which is fair neither to themselves nor to the other side. The successful functioning of unemployment insurance requires certainty in the minds of the public that the rights of both employers and employees will be adequately protected and their complaints impartially determined. This can be accomplished by divorcing all those engaged in the adjudication of disputes from the control of others in the department and by giving them independence so that they may be free to act on the evidence and the law as they see it. I recommend legislation which will set up an independent board of review to hear all appeals.

The recommended bill annexed hereto and above mentioned also embodies these changes.

Cooperation with Federal Agencies

I recommend measures aiming at greatest cooperation with Federal agencies. In particular I recommend legislation which will permit the transfer of railroad employer and employee accounts to the Railroad Retirement Board as required by the Federal Railroad Unemployment Compensation Act and by the Social Security Board. Legislation to insure that the California act will conform to the requirements of the Social Security Act is an absolute necessity.

I also recommend that a measure be passed which will give to the State Department of Employment the authority to make all agreements with Federal agencies. The law as it now stands gives authority to make agreements with the United States Employment Service to a division within the department, the Division of State Employment Agencies. This creates a confusion of authority which should be corrected.

As these features are an integral part of the administrative organization of the department, including, in particular, its powers and duties, these suggestions are also embodied in the bill hereto annexed for your study and guidance.

Collection and Enforcement Provisions

I recommend amendments to the act which will provide more adequate enforcement provisions and which will strengthen the penalties if contributions are not paid.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

USURY

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, April 18, 1939

To the Honorable Members of the Senate and Assembly

Your attention is directed to the great need of the people of this State for the abolishment of usury. The common people need protection. The legitimate lender needs protection. The entire public will benefit from proper regulation. Just supervision will foster and promote the general welfare.

The present constitutional amendment adopted in 1934 (Article XX, section 22 of the Constitution), while purporting to prescribe a maximum annual rate of interest of 10 per cent, in fact exempts from its provisions practically everyone engaged in the money lending business.

The whole subject of usury should be covered by adequate, effective regulation. Fair, just, and equitable rates of interest and service charges should be prescribed for all lenders including certain special classes, such as pawnbrokers, personal property brokers, and small loan brokers.

Simple legislation might not under the existing law effectively remedy the situation. There is too great a risk of having remedial statutes declared violative of the present constitutional provision on usury.

I recommend to you a repeal of Article XX, section 22 of the Constitution, under which in many cases there is no limit to charges for the use of money.

I also recommend a general bill fixing reasonable rates of interest and service charges for all money lenders, with separate provisions for truly special classes of lenders, to take effect upon its adoption and ratification by the people contemporaneously with the repeal of the present constitutional provision.

I recommend you submit to the people an amendment to the Constitution repealing the present section on usury and providing for their ratification of such a general bill on usury. A suggested constitutional amendment embodying my recommendation is annexed hereto. This measure can be introduced as a new constitutional amendment or its substance can be amended into Assembly Constitutional Amendment No. 68 or other pending constitutional amendment which may not be otherwise needed.

A suggested general bill regulating the interest rates and service charges of all lenders, including the special classes, to be validated and ratified by the people as set forth in said constitutional amendment embracing my recommendation to you is also annexed hereto.

This bill can be amended into Assembly Bill No. 408, or any other pending bill on the subject of usury you may select for such purpose.

Your attention is specifically directed to the rates of interest and the service charges set forth in my suggested bill which accompanies

this message. You have before you several pending measures prescribing higher maximum interest rates and service charges for certain lenders. I will not approve any bill which permits of interest rates or service charges for any lenders greater than, or otherwise conflicting with, the maximum interest rates and service charges as prescribed, limited, and restricted in the general usury bill submitted and recommended to you herewith.

In addition to the foregoing recommendations on the subject of usury, I further recommend you consider and enact other necessary, equitable and reasonable regulations, including licensing, bonding, and similar governmental supervision under the jurisdiction of the Commissioner of Corporations, of the business of the personal property broker and small loan broker. You have before you several measures containing, or into which could be amended, such further regulations. However, any such bill which you may pass must, if it also prescribes the interest rate and service charge of such lenders, be entirely consistent with the provisions of the general usury bill accompanying this message before it will receive my approval and signature.

Lastly, I recommend to you the adoption of a bill regulating those engaged in the sale of personal property under conditional sales or other forms of so-called easy-payment contracts. Such vendors of personal property and particularly of new or second hand automobiles should be subject to licensing, bonding and other regulations under the Commissioner of Corporations or at least under some governmental agency just as are certain money lenders at the present time. Interest rates and service charges under such contracts should also be limited and prescribed, in much the same fashion as such rates and charges are restricted under the general usury bill submitted to you herewith.

A bill embodying such regulations and restrictions covering these easy-payment contracts should be drafted by the Legislative Counsel and introduced as a new measure or amended into any pending bill on the subject, if one can be found which is not otherwise needed. There is great need for proper governmental supervision of this class of business and I sincerely hope that you will undertake the passage of such a law before adjournment.

From time to time, I will submit to you messages making specific recommendations on other subjects of legislation pending before you. I trust that you will likewise feel free at any time to confer with me concerning any proposed legislation. Only by mutual cooperation may we hope to accomplish the greatest public good.

Yours respectfully,

CULBERT L. OLSON
Governor of California

TRICHINOSIS

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, April 22, 1939

*To the Honorable Members of the Assembly
Sacramento, California*

I wish to present for your consideration a matter of the utmost importance to the public health; the prevalence of trichinosis and the necessity for legislation to prevent its further spread.

Trichinosis, one of the most treacherous of major diseases, is caused by eating pork in which dwell larvae of the hair-like worm, *Trichinella Spiralis*. It results in severe intestinal pains and high temperature, but is rarely diagnosed because of its similarity in reaction to typhoid and rheumatic fever.

According to the United States Public Health Service, there was abundant evidence more than a half century ago that the United States suffered from an extraordinary prevalence of trichinosis, but that evidence was misunderstood and disregarded, with a resultant appalling cost in health and life.

Studies reported by the United States Public Health Service covering the examination of three thousand human diaphragms taken at autopsy reveal that 16.3 per cent of the people had trichinosis at some time during their lives. These studies have also revealed that of total chronic cases reported, the highest incidence areas, with 501 to over 1000 cases reported per state, included two eastern states, New York and Massachusetts, and California. Two cities show the highest peaks of incidence in the entire country, Boston and San Francisco.

It is generally recognized by the preventive medical profession that human trichinosis rests primarily on a basis of swine trichinosis, and swine trichinosis has been found to result from the feeding of uncooked or inadequately cooked pork scraps and offal to swine.

Being faced with this health problem, we apparently have a number of alternatives open to us.

(1) We may continue, as we have done over the past half century, stating that trichinosis is a rare disease in the United States, trusting to casual control measures, and generally leaving the consumer to the risks of a "buyer beware" policy;

(2) We may sound a terrifying and general alarm, a policy which may arouse suspicion of all pork and pork products, but which may accomplish little other than to unnecessarily injure the pork producer;

(3) We may inaugurate a requirement of microscopic and trichinoscopic inspection of pork; this will require millions of dollars annually, or

(4) We may enact reasonable preventive legislation, inflicting little burden upon packers and yet providing a large measure of protection to the consuming public.

It is apparent to me that this last named alternative should be adopted by the Legislature. Assembly Bill No. 1704, if amended,

would provide the necessary framework for attempting effective control of trichinosis in California.

I believe that all slaughter house offal, before it is fed to swine, should be cooked in a manner to be prescribed by the State Department of Public Health, for killing the trichinae.

Many health authorities advocate a requirement of sterilization of all garbage before it is fed to swine. That would indeed be desirable.

I believe, as does Dr. William Dickie, Director of Public Health, that all pork sold or offered for sale in California, should meet the requirements of the Federal Bureau of Animal Industry in reference to the prescribed treatment of pork and pork products. To meet that standard, I recommend to you an amendment to Assembly Bill No. 1704 providing a requirement for refrigeration for twenty days at a temperature not exceeding five degrees Fahrenheit.

I further recommend that a modest appropriation be enacted by the Legislature to the Department of Health for the purpose of providing necessary supervision and inspection, pursuant to the terms of the enacted regulatory measure.

I, therefore, urge the Legislature to enact Assembly Bill No. 1704, amended according to my suggestions.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

OPEN GRAND JURY SESSIONS

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, April 27, 1939

*To the Honorable Members of the Assembly, State of California
Sacramento, California*

GREETINGS: I am returning herewith, without my signature, Assembly Bill No. 459, entitled: "An act repealing section 925a of the Penal Code, relating to sessions of the grand jury.

My objections to this bill are as follows:

This bill, if enacted, would repeal section 925a of the Penal Code. This section of the Penal Code provides that upon written request of the Attorney General (or a district attorney) and a grand jury foreman, the superior court may order sessions of the grand jury to be open to the public while investigating corruption of public officers and employees.

This statute was passed in 1937 in contemplation of an investigation of alleged misconduct by members of the Legislature including improper influences brought to bear by highly paid lobbyists for special interests. We are all familiar with the extended hearings held before the grand jury of Sacramento County in 1938, culminating in the so-called Philbrick Report, which enlightening document on corruption in the Legislature, has heretofore been delivered to you. These hearings were open to the public in accordance with section 925a of the Penal Code—the provision which this bill would repeal.

I firmly believe open grand jury sessions, while investigating dereliction of official duty, are a very salutary and desirable provision of law. The people are entitled to know the accusations made, and the testimony and evidence adduced, against their elected officials in whom they have reposed the highest confidence and the greatest trust. Every honest public official should welcome open hearings of any such accusations.

Much good is accomplished by the notoriety and publicity resulting from open sessions in such cases. The people, in whom reposes the ultimate power of sovereignty in a democracy, are at least fully apprised of conditions. If other action is not taken, the people still have remedies within their power. They should, and have, refused reelection of such officials. They should, and I hope will, force other reforms including remedial legislation. Through open, rather than secret sessions, such matters are thus placed squarely before the people for such action as they see fit to demand.

Section 925a of the Penal Code has only been on the statute books two years. During this short time, it has fully justified its enactment. Deplorable conditions prevailing in the Legislature at the 1937 and other former sessions were, largely through the operation of this section, exposed to public view and opinion for the first time. Some reform has been accomplished. Much remains to be done. Reforms

undertaken, and to a much greater degree yet to be accomplished, are and will be, in no small measure, attributable to the publicity resulting from the operation of section 925a of the Penal Code, sought to be repealed by this bill.

This bill seeks to restore secrecy in grand jury investigations of charges or evidences justifying inquiry into the possible corruption of public officials. Open hearings and full publicity concerning the actions of any public official, which even border on corruption or constitute official misconduct, should be required, instead of being suppressed.

Enactment of a bill such as this is a backward step which would contribute to the destruction of representative government by and for the people, and to the perpetuation of government by and for special interests.

I am pleased to return this bill without my signature. I sincerely hope you refuse to enact it into law.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

WORKMEN'S COMPENSATION INSURANCE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, May 4, 1939

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: I strongly recommend to you the passage of a bill providing that all workmen's compensation insurance shall be written exclusively in the State compensation fund. The only exception should be permission to those employers able and qualified to carry their own workmen's compensation liabilities to self-insure under proper restrictions and safeguards.

Primarily, to accomplish this result, section 3700 of the Labor Code should be amended to delete the present provision permitting employers to carry workmen's compensation insurance in private insurance companies. Assembly Bill No. 575 contains such an amendment and Senate Bill No. 1130 has similar provisions, although the latter bill as now written also prohibits self-insurance.

Of course, for the sake of clarity and consistency, several other sections of the Labor and Insurance Codes should also be amended to conform with such change in the principal or basic section (section 3700, Labor Code). These latter technical amendments could be prepared by the Legislative Counsel. But, in any event, with or without the technical amendments, if time prohibits the drafting or enactment of the latter, I strongly recommend to you the adoption of the fundamental change in the law to require all workmen's compensation insurance, except for permissible self-insurance, to be written exclusively in the State compensation fund.

My reasons for urging the enactment of an exclusive State fund for all workmen's compensation insurance in California are, in the main, briefly these:

Under the present dual system of employers securing their workmen's compensation insurance policies either from private companies or from the State fund, an unnecessarily large burden is carried by California industries for the maintenance of the workmen's compensation system. The premium cost of this insurance to employers can be reduced, without at the same time reducing, (in fact, increasing), the benefits paid to employees who are injured or killed in the course of their employment.

Under the present system, an average of 40 cents out of every dollar paid by the employer in premiums for their workmen's compensation insurance to private insurance companies, goes for the cost of that insurance. Not more than 59½ cents out of the premium dollar goes for the payment of insurance benefits for which the law provides.

But when employers pay their premiums to, and are insured by, the State insurance fund, they receive a refund of a portion of this 40 cents, which the State fund can pay them because of its much lower

administration costs and because the State fund is not established to make a profit out of the injuries and distress of workmen and their dependents.

There is absolutely no necessity for this premium toll of an average of 40 cents out of every dollar paid for workmen's compensation insurance being taken from California's employees and their beneficiaries. Instead of 40 per cent, not more than 10 per cent, and probably less than 10 per cent, of the premium paid need be taken as the cost of all the benefits provided by the law. And that toll will not be taken if we amend the present law by providing that all workmen's compensation insurance premiums shall be paid to the State fund.

The State fund now writes only about one-third of all workmen's compensation insurance written in California. Another third is written by several private companies organized and having their home offices here in California. The other one-third is divided among some forty other private companies having their home offices outside of California—some of them in foreign lands.

Undoubtedly, the proportion of this insurance written by the State fund could be greatly increased if it engaged in expensive and useless advertising and solicitation for informing those employers, who are induced to have their insurance written by private companies, of the great loss they are thereby sustaining.

Opposition to the elimination of private companies from any participation in our workmen's compensation insurance system may, of course, be expected from these private companies engaged in writing casualty insurance. Their interest is in making profits out of the system, regardless of the unnecessary cost to California's industries of their participation, and in delaying, minimizing and defeating payment of benefits to which beneficiaries of the law are entitled.

This is a case where special interests conflict with the general public welfare, and sound economy and saving in an essential public service.

Notwithstanding the competition of the private insurance companies, requiring the State fund to incur unnecessary acquisition and maintenance costs, it now costs the State fund only 14 per cent to 15 per cent of its premium income to write workmen's compensation insurance. Under the laws fixing uniform insurance rate premiums, the State fund is originally forced to charge the same rates as the private companies; but the State fund, out of the premium paid it, has left at least 85 per cent to 86 per cent of its premium income with which to pay claims, as against less than 60 per cent left the private insurance companies with which to pay claims, if their records are properly kept.

Savings to industry by insuring in the State fund are very substantial. For the year 1937, these savings averaged nearly 23 per cent. It is obvious that if the State were to take over the writing of all workmen's compensation insurance, the rates could be reduced at once by about 25 per cent. This would mean a saving to California industries, for the benefit of employers and employees, of about \$7,500,000 a year. And, based upon the experience of other States which have adopted exclusive State fund insurance for workmen's compensation, I venture the statement that a still greater saving may be realized; that the administration costs of exclusive State fund insurance would, as I have

stated, be reduced to 10 per cent or less of the premium paid. Furthermore, by exclusive State fund insurance for workmen's compensation, the thousands of employers who, in violation of the present law, fail to carry any insurance, and are unable properly to self-insure, can be more effectively compelled adequately to protect their employees against hardship and destitution arising from occupational injuries where compensation is not now secured.

Our other social insurances, old-age benefit insurance and unemployment insurance, are universally compulsory and their administration is a government monopoly. In fact, no one has ever seriously contended that private companies would be able to provide these insurances and undertake the risks involved.

For the same reason, workmen's compensation insurance should be written and administered exclusively by the State. It, also, is a social insurance and is universally compulsory.

Lower premium costs would not be the only benefit to employers. They now make quarterly reports and premium payments for old-age benefit insurance and for unemployment insurance. They make these reports and payments on a pay roll basis. Under an exclusive State fund, they could also make their workmen's compensation reports and premium payments quarterly, with, and at the same time as their other social insurance reports, and from and by the maintenance of identical records. This would further reduce their own costs and simplify their keeping of records.

Once the State has gathered together the exclusive administration of all of these insurances, the work of auditing the accounts of employers and the work of receiving their premium payments can all be assigned to a single agency in the State government. It will enable the concentration of these functions in a single office, with suitable branch offices throughout the State. It will mean improved service to employers, to workers, and to the public generally.

An exclusive State fund for workmen's compensation insurance will also enable a much better standard of safety inspection, and more intensive safety educational work in all branches of industry, commerce and agriculture. Employers and workers generally have little realization of the beneficial results which safety education will produce. California's compensation insurance bill is now about \$30,000,000 a year. Safety education will reduce this bill in half. But there will be an even greater saving—the social saving that vests by the prevention of death, misery and pain suffered by workers and their families from accidents which can be avoided.

The last, but not the least important benefit to be gained by giving the State a complete monopoly of the writing of workmen's compensation insurance is that of more generous benefits to workmen, and their families when, as is to some extent inevitable, laborers are injured or killed while at work.

The State is not under any compulsion to make a profit for stockholders. Therefore, it is in position to provide medical service of the highest quality and broadest scope; likewise, to provide more generous compensation for loss of time and wages than is provided by present law.

One of the true functions of government is to do for the people the things which they can not do for themselves, or the things which they are unable to do as well for themselves. The proposal that the State take over the writing of all workmen's compensation insurance serves this principle.

I am convinced that in this field the State can do a better job, and at less cost, than is possible under the present system with its divided responsibilities.

In the interest of real economy, as distinguished from the false economy preached by the special interests, I sincerely hope for favorable action by the Legislature, and for the people's support, in the enactment of a bill into law, establishing this proposed improved system of workmen's compensation.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

WAGES AND HOURS

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, May 9, 1939

To the Honorable Members of the Senate and Assembly

I strongly recommend to you the passage of liberal legislation regulating minimum wages and maximum hours for industrial workers.

Assembly Bill No. 167, authored by Assemblyman Yorty and eighteen other assemblymen is now pending before you. This bill is modeled upon the Federal Fair Standards Act of 1938. It is designed to make conditions prevailing in intrastate industry comparable to the conditions prescribed for interstate commerce. There is no difference in the efforts expended by the working man in completing his task whether in intrastate or interstate activities. Every reason and principle of just and equitable treatment demands similar reasonable working conditions for both classes of workers.

We have had in California for a long time a minimum wage law for women. Unfortunately this remedial law has not received the degree of enforcement its merit deserves. The instant bill would extend such law to cover all industrial employees, male and female, and provide for them a living minimum wage and a workable maximum number of hours.

The bill will particularly benefit the employee in the lower bracket wage scale. It will eliminate the sweat shop and require at least a subsistence wage. It will raise the standard of living to the level of human decency.

Fully 90 per cent of all industrial workers now receive the wages equal to or in excess of the minimum scale mentioned in this bill—35 cents per hour for the first year of the operation of the act, 40 cents per hour during the next six years, and 45 cents per hour after the seventh year. At the present time the bill will require higher wages for only a few workers—most employees now receive a greater recompense for their efforts. The gradual increase will be readily absorbed by the small percentage of industry affected.

The same is true of the hours provision—eight hours a day and a 44-hour week during the first year this act is in effect; eight hours a day and 42 hours a week during the second year thereafter; and 8 hours a day and 40 hours a week after the second year this act is in effect.

This bill will correct the evils prevailing in probably less than 10 per cent of industrial employment. These evils, while relatively small compared to working conditions of all employees, are a constant source of friction. The bill will eliminate such industrial strife between employers and employees.

The bill fully protects labor in its right to bargain collectively to obtain still more favorable wages, hours and working and living conditions. The bill fully protects the employer against any arbitrary

administrative action by providing for a court hearing and judicial review.

The bill will create more employment, increase purchasing power, wages, and living standards. Surely this bill merits your attention and prompt, favorable action.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

GOVERNMENTAL REORGANIZATION

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, May 16, 1939

To the Honorable Members of the Senate and Assembly

I take pleasure in recommending to you several measures looking toward the improvement of the organization of the various fiscal agencies of the State government.

My predecessor, Governor Merriam, appointed a voluntary unofficial committee of twenty-five persons to conduct a survey and make a detailed study of State Government departments and agencies, and to formulate recommendations for their reorganization. I am advised that this committee raised about seventy thousand dollars from private sources to defray the costs of such a survey and study. The committee employed Griffenhagen and Associates of Chicago, Illinois, nationally known experts in public administration, to make the survey and submit their recommendations.

Although the committee and its consultants have made studies of the entire organization structure of the State Government, its major attention has thus far been given to the organization of the State's fiscal agencies, including problems of general financial management and of revenue administration. The principal recommendations of Griffenhagen and Associates in these matters were adopted by the committee and formed the basis of a "Progress Report" published by the committee in 1937. In this report the committee proposed a fundamental reallocation of the State's fiscal responsibilities and powers in accordance with a definite and logical plan. The major recommendations of the committee were also embodied in a series of bills introduced at the 1937 Session of the Legislature, but these measures did not then receive the careful consideration which they merited.

I have given careful study to the committee's report and recommendations and to the various bills which contain the major features of its program. I have found in them definite proposals which merit the support of every thoughtful citizen. I need not emphasize that the problems involved transcend partisanship. Their wise solution is essential to the best interests of the State and its people in the years to come. Accordingly, I urge the passage at this session of the Legislature of the bills and constitutional amendments introduced by Senator Robert W. Kenny of Los Angeles which incorporate the principal recommendations of the committee.

The first major projects deals with the State's organization for general financial administration. It is embodied in Senate Bill No. 164 and Senate Bill No. 166, which, upon adoption by the Legislature, would be submitted to the people for validation under the accompanying Senate Constitutional Amendment No. 7 or Senate Constitutional Amendment No. 20.

Public Administrators and scholars in the field are in general agreement upon the following as basic principles of sound fiscal man-

agement: First, accounting and preauditing are primarily administrative functions, which should be lodged with a separate office or agency in the executive arm of the government. This principle derives from the simple fact that the current financial information which the accounting system provides is indispensable to proper departmental management and budgetary control. If the chief executive is to discharge in practice as well as in theory his constitutional duties and responsibilities in the execution of the laws, the control of the State's accounts must be vested in an official appointed by and answerable to him.

Second, postauditing is primarily an independent function, responsibility for which should be vested in an official independent of the executive and responsible either to the Legislature or directly to the people. This principle rests upon the fact that the chief purpose and value of such an audit is to provide a continuing public review of the results of executive management.

Third, within the limits of the policies fixed by the Legislature in the exercise of its established control over the purse, administrative control of expenditures and revenues should be vested in officials or agencies answerable to the executive, if proper executive responsibility is to be achieved and maintained.

A cursory examination of the present situation in California's State Government reveals that all of these principles have been grossly violated. In the first place, while the Governor is responsible for the State's budget, his budget agency, which is the Department of Finance, is not authorized to maintain a system of central accounts for the State Government as a whole. Without such a system, truly effective budgeting is impossible. At present these central accounts are maintained by the State Controller, while the detailed operating accounts are maintained by the various spending agencies as prescribed by the Department of Finance. Moreover, there is no effective tie-in between the two sets of accounts since each is kept upon a different basis. The present division of accounting duties not only hampers effective budget control, but often results in confusion as to the true fiscal condition of the State.

With respect to preauditing, that is, the checking of receipts at the time of collection and the examination and approval of expenditures before payment, we find a similar division of responsibility. The State Controller audits claims before payment and checks receipts before deposit in the treasury. In contrast, he does not have the responsibility of preauditing orders, contracts, or other encumbrances, for conformity with budgetary provisions, nor does he possess the records required for this purpose. This phase of the preaudit, so necessary for budgetary control, is performed by the Department of Finance. Such a divided preaudit is illogical, as well as unnecessarily cumbersome and expensive.

On the other hand, the function of postauditing is performed by the Department of Finance. An executive department is thus put in the inconsistent position of both preauditing and postauditing governmental expenditures. The administration is called upon virtually to postaudit itself, since the Department of Finance is part and parcel of the administration and is actually a party to many of the transactions it is expected to audit. Thus the independent review of the methods, operations and results of executive management, which sound fiscal principles require, is entirely absent.

Under the reorganization bills, above referred to, the Department of Finance would be given sole responsibility for accounting, preaudit and approval of receipts and disbursements, as well as budgeting, purchasing, property control, financial reporting and related procedures which are essential to a complete system of financial administration. This responsibility is fixed by Senate Bill No. 166, which establishes a Fiscal Code to govern departmental budgeting, the incurring of obligations, the control and collection of accounts receivable, the payment of claims and other financial matters. The code also prescribes the general fiscal and preaudit regulations and requirements.

The above plan of reorganization, as embodied in Senate Bill No. 164, would provide for a separate constitutional officer, to be elected by the people and to be known as the Auditor General. This officer would be charged with the sole responsibility for postauditing. He would be required to make a current, continuing audit of the finance and revenue departments and of the State Treasurer and periodic postaudits of all other State agencies. The purpose of these audits would be not only to detect and report violations of fiscal laws or the terms of appropriation acts, but also to determine that proper methods and controls were being maintained. The Auditor General's continuing audit of the Department of Finance would provide a current review of the determinations of that department as to the legality and propriety of expenditures by State agencies. In doubtful cases reference could be promptly made to the Attorney General for his opinion. In a word, the Auditor General would serve as the agent of the tax-paying public, generally, to stop irregularities and to turn the full light of publicity upon any violations of duty by the officials of the administration.

The Auditor General would be the successor to the State Controller. Under Senate Bill No. 164 and Senate Constitutional Amendment No. 7, or Senate Constitutional Amendment No. 20, the State Controller would become the Auditor General, charged as such solely with the responsibility of continuous postaudit of the State's fiscal transactions.

The second major reorganization proposal is to centralize the collection of all State taxes in one separate State department.

The growth of State Government has necessitated the addition of several new taxes to the fiscal structure during the past thirty years. Curiously, almost every new revenue measure of major importance has provided a new or different State agency to collect the tax imposed thereby. So today we find the State Controller collecting the inheritance tax; the Franchise Tax Commissioner collecting the bank and corporation franchise tax and the personal and corporation income taxes; the State Board of Equalization collecting the sales tax, use tax, and the liquor taxes, as well as certain taxes on motor vehicles and gasoline. Still other automobile taxes are collected by the Motor Vehicle Department. With respect to the gross premiums tax upon insurance companies, there are at present three agencies concerned in its administration—the Insurance Commissioner, the Board of Equalization, and the State Controller. Such division of responsibility is incompatible with efficient administration.

The inevitable result of this state of affairs is that confused taxpayers are forced to deal with several State agencies having independent jurisdictions and to make numerous returns to separate

offices in order to pay their taxes. This is not only inconvenient, annoying, and expensive to taxpayers, but involves a waste of administrative energy, time, personnel and money. Moreover, State taxes fall due at different times, with the result that in each of the present collection offices there are periods of peak load followed by periods of relative inactivity. If all taxes were collected by one agency, the work could be so staggered that it would proceed at a more even pace throughout the year. As a result, extra personnel could be eliminated and substantial economies realized.

Equally important is the effective correlation of the enforcement machinery set up in connection with each tax which their administration by a single agency would make possible. Such correlation would undoubtedly result in a considerable increase in the revenues collected through making evasion more perilous and difficult. Honest taxpayers would also be benefited by a greater consistency and uniformity of administrative rulings on related questions arising under different tax laws.

Senate Bill No. 165 is the reorganization bill which would consolidate these functions in a single Department of Revenue following its submission to the people after adoption by the Legislature, and its validation under the accompanying Senate Constitutional Amendment No. 7. The experience of the Federal Government, with its Bureau of Internal Revenue, and of States such as New York, which have followed a similar policy of tax administration, provide persuasive evidence of the practical soundness of the plan.

This bill creates a new Department of Revenue following the standard departmental form and procedure. All duties are vested in the department in charge of a director. Divisions are created within the department and all duties of a like class would be allocated by the director to such divisions.

Your especial attention is directed to the fact that the status and rights of all employees in the State civil service now engaged in tax collection are fully preserved and protected under said Senate Bill No. 165. Such employees, without change in rights, would become the employees of the new Department of Revenue. You are likewise reminded that Senate Bill No. 165 in no way alters or changes the existing tax laws or imposes any new or additional taxes whatsoever. It merely provides that the existing tax laws shall be administered and taxes collected by a new, single department rather than by diverse State agencies as at present.

This reorganization bill (Senate Bill No. 165) in its present form would also provide a Board of Tax Appeals so that any person paying a tax under protest would have prompt, quasi-judicial review of his grounds of protest, and in a proper case forthwith secure a refund. Bona fide disputes sometimes arise as to whether any tax is due or as to the correctness of the amount of the tax assessed. At the present time, both the administrative and judicial redress allowed the taxpayer, is very cumbersome, costly, and unsatisfactory to all concerned. Such a board of review would provide a simple, expeditious remedy for such cases. In lieu of creating a new body for this purpose, however, you might consider the advisability of vesting these reviewing functions

in the Board of Equalization, thus making it a board of equalization and review.

These reorganization bills would at the same time restore the Board of Equalization more nearly to the status and purpose for which it was originally created, namely, as a Board of Equalization of assessment of State and county taxes. At the present time this primary function of the Board of Equalization is relegated to a secondary position by virtue of the incongruous mixture of unrelated administrative duties which have been imposed upon it by the Legislature.

The most striking of these unrelated functions is the work of this board in the regulation and licensing of the liquor traffic. Another important reorganization measure, Senate Bill No. 957, proposed to divorce liquor regulation from the State Board of Equalization. Liquor control presents a major and peculiar problem of governmental supervision. Its regulatory aspects are not germane to taxation. Senate Bill No. 957, after submission to the people following adoption by the Legislature and validated by Senate Constitutional Amendment No. 21, would create a separate Department of Alcoholic Beverage Control. In usual form, following the plan of other State departments, including the new Department of Revenue above mentioned, a Director of Alcoholic Beverage Control would be vested with powers of general supervision over all functions of the department. An advisory board, which would hear appeals from the director's orders and regulations, would also be created. This board would exercise the same reviewing functions now performed by the State Board of Equalization in reviewing administrative action of the present State Liquor Administrator.

Your attention is especially directed to the fact that no change whatsoever is made by Senate Bill No. 957 in the Alcoholic Beverage Control Act or the present regulation of the liquor traffic. Again, the present civil service status of existing employees is preserved and protected.

Lastly, may I specifically remind you that no one of these projects and none of these reorganization bills will become effective unless and until validated by constitutional amendment submitted to the people at the next general election. You are not enacting or effecting such reorganization or any part of it. You will be merely submitting such projects and each part thereof to the people for their action. Surely it is the privilege, right and duty of the people to pass on measures vitally affecting the efficiency of their own government. If you fail to pass these bills and constitutional amendments, yours will be the responsibility of denying to the people their prerogative and right. On the other hand, if no other proposal in the way of new and constructive legislation is enacted at this session of the Legislature, the adoption and submission of these measures would at least be an accomplishment of substantial value.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

FIFTY-THIRD LEGISLATURE
FIRST EXTRAORDINARY SESSION

CONVENED JANUARY 29, 1940



MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, January 29, 1940

Members of the Senate and Assembly of the California Legislature

Your special session, called to convene on this date, is held in accordance with your own plans at the conclusion of the regular session last year in recognition of the fact that the funds you appropriated for unemployment relief would be exhausted at about this time and of the State's inescapable need for new revenue, which you failed to provide at the regular session.

UNEMPLOYMENT RELIEF

In considering and determining the amount of your appropriation to the Relief Administration and the Relief Commission for continuation of unemployment relief during the remainder of the present biennium, it is my duty to present to you the following information and carefully considered estimates:

During the 90th fiscal year, ended June 30, 1939, there was expended for unemployment relief the sum of \$42,577,872.71. The corresponding figure for the first six months of the current fiscal year was \$27,152,279.75. The unexpended balance of the \$35,000,000 appropriated for relief at your regular session last year, as of December 31, 1939, was \$7,847,720.25. Although this balance is sufficient to carry a portion of the present case-load for the next twenty days, because of the time required for administrative operations, audits and check writing by the State Controller, no new intake or further relief payments can be made after February 5. If your appropriation of funds for the remainder of the biennium can not be made before that date, it will be necessary for me to ask for an emergency appropriation.

Based upon carefully prepared estimates of need, an appropriation of \$95,500,000 for relief is necessary to carry on for the balance of the biennium. This estimate is predicated upon the continuance of the same basic rules of eligibility as to destitution and residence and the same minimum budgetary standards that have been in effect since the inauguration of the program pursuant to the Unemployment Relief Act of 1935. It is also predicated upon a continuance of the present scope of Federal W.P.A. employment and all other factors involved.

While the total sum to cover existing needs for which this appropriation is urged appears large, it should be understood that approximately 350,000 persons within the State draw their entire subsistence therefrom. This large proportion of our population faces starvation unless these funds are provided.

Only 4 per cent of the entire amount of the appropriation required is proposed for expenditure upon our works program designed as an attack on the whole dole system by way of gradually making the unemployed self-supporting.

Economies in administering the program have been instituted. Others are in the process of development, such as a continuous independent audit of the relief rolls by the Department of Finance, which I am recommending, and the efficient functioning of the S.R.A. Personnel Standards Board, which I have recently appointed.

From time to time restrictions have been urged with a view to decreasing the total cost of unemployment relief. Included among these have been the fixing of a ceiling of \$65.00 for monthly family budgets, the establishment of a three year State residence requirement for relief, and the establishment of still more rigid rules for eligibility than have heretofore been adopted. Should the Legislature adopt all these restrictions, I am advised that a saving of as much as \$30,000,000 may be effected. If this should be your action, the appropriation necessary for the remainder of the biennium will be \$66,000,000.

However, I submit that no such reduction is possible without causing untold misery and hardship.

These estimates are shocking to me, as they no doubt are to you. In my budget message last January the total amount estimated for unemployment relief during the current biennium was \$73,660,000. That estimate did not contemplate the drastic W.P.A. curtailment which followed, throwing back onto S.R.A. 30,000 case-loads. The W.P.A. case-load was thereby decreased from 67 per cent to 46 per cent of the total unemployment relief load of the State, while the S.R.A. case-load further augmented by normal increases due to population rise and displacement from other employments, has increased from 33 per cent to 54 per cent of the total aid. On December 14, 1938, its case-load was 59,000; on December 13, 1939, it was 100,000.

We would all condemn any laxity in accepting relief cases; any relief generosity inspired by political consideration; any waste or inefficiency in the administration of relief. But, obviously, if sporadic instances of such things are found by our intensive drives to prevent them, the total of increased or unnecessary costs attributable to such instances would be negligible. They can not truthfully be considered a factor in accounting for the tremendous increase in the S.R.A. case-load and in the cost of unemployment relief.

As to costs of the administration of relief, I have insisted that continuous effort be made to reduce the same to not more than 15 per cent, which is considerably below the cost thereof during the previous administration. Progress has been and is being made in lowering the administrative costs to that level or below it. I do not believe the cost of administration need be higher. As an aid in keeping the cost within that limit, I recommend that provision be made in your appropriation that the costs of administration shall not exceed 15 per cent.

In considering the extent to which the relief load may be decreased by a pick-up in business activities and employment opportunities, we should bear in mind the highly important fact that the number of unemployed who receive relief is the smaller part of the total number of employable unemployed men and women in the State who are seeking jobs. Available statistics show that on November 30, 1939, approximately 176,000 cases, representing 228,000 workers in California, were receiving unemployment relief from all unemployment relief agencies—the S.R.A., the W.P.A., and the Farm Security Administration. At

the same time there were in the State between 550,000 and 600,000 unemployed workers, approximately 350,000 of whom were receiving no relief at all.

It is these unemployed workers, not on relief, who are the first to return to private employments during any upswing in industrial activities. Their resources are generally greater, which is one important reason they are not on relief; their employment records are more recent, their health is better, and in a general way they are more employable than those on relief and thus have the advantage in competition for a limited number of jobs.

THE STATE'S NEED FOR ADDITIONAL REVENUE

The State's need for additional revenue is, of course, well known to you, as it is to all persons familiar with the fiscal condition of the State. We face serious financial problems in meeting the fixed charges of the Constitution, the requirements of the laws passed by the Legislature, the operating expenditures which you have budgeted, and your appropriations for unemployment relief.

On June 30, 1939, the General Fund deficit was \$38,711,723. Since adjournment of your regular session last June without providing additional revenue, that deficit has been and is still increasing at the rate of \$2,400,000 per month.

An appropriation for relief of \$66,000,000, the minimum and inadequate figure already mentioned, when added to budgeted appropriations and fixed charges now in force, will bring authorized General Fund expenditures for the 1939-1941 biennium to a total of \$397,797,173. Existing revenue laws, on the other hand, are estimated to yield only \$351,486,923 to the General Fund during the same two year period. This leaves a current budget deficiency, or shortage of revenues, with which to meet required expenditures for this present biennium amounting to \$46,310,250. This sum, added to the carry-over deficit of \$38,711,723, inherited from previous administrations, means unless you provide new revenue at this session, that on June 30, 1941, the State would be confronted with an accumulated deficit in excess of \$85,000,000. This would be by far the largest deficit in the history of the State and would seriously threaten its credit.

Thus far the deficit has been financed through the sale of General Fund warrants to banks and other financial institutions. Nearly \$92,000,000 of these warrants are now outstanding. It is expected that the total will mount as high as \$108,000,000 by the end of the biennium, unless you enact new revenue measures at this session. I am competently advised that we are rapidly approaching a saturation point beyond which it will be difficult, if not impossible, to find a market for the State's warrants. If our warrants can not be sold under the present system, the State will be forced to return to the procedure of issuing registered warrants to each of its State employees, and to merchants, contractors, and other individual creditors, who would find difficulty in converting them into cash, except at heavy discounts. Such a situation in the State's financial affairs would be chaotic.

Moreover, the interest charges alone on this mounting registered warrant debt constitute a heavy burden on the taxpayer. Such charges

will amount to \$3,800,000 during the present biennium, equivalent to the entire receipts from the State's tax on beer and wines.

Ordinary prudence and common business sense in the management of the State's fiscal affairs imperatively demands that measures be adopted now which will at least balance the budget for the current biennium and prevent any further increase in the accumulated deficit. Common sense should indicate the wisdom and economy of immediately adopting a relatively moderate additional revenue program rather than facing the necessity of making the radical increases which would be necessary eighteen months hence, if you continue this mounting deficit.

Estimates by the Department of Finance of receipts to be derived under existing law have been carefully prepared. Every effort has been made to foresee probable trends of economic conditions and to make allowance for continued improvement in California business. It is anticipated that tax receipts under existing laws will be the largest in the history of the State. These anticipations agree almost exactly with forecasts made independently by the State agencies administering the respective taxes, and are considerably in excess of estimated General Fund revenue receipts as projected by the State Controller. It is possible, of course, that a marked and prolonged increase in business and prices above the levels of 1937 would result in greater revenue than is now estimated. There is no positive assurance at the present time, however, that the business pickup will attain any such proportions, unless induced by demands arising out of intensified war activities abroad. In the latter event the State should prepare for the inevitable dislocations which would accompany the cessation of such a war. We should husband any additional receipts occurring by reason of wartime prosperity, to wipe out all past deficits and to cushion the certain shrinkage in the State revenues that would result from an ensuing depression. Those who claim the State's budget will be balanced through increased prosperity must prove their case. They must be prepared to take the responsibility for any policies adopted as a result of accepting their views. Responsibility for failing to balance our budget can not be escaped by accepting assertions made in behalf of those who would avoid their just share of the tax burden. It is unstatesmanlike and unbusinesslike to gamble with the financial soundness of the State.

I, therefore, emphasize that you are called in this special session to enact such revenue measures as will produce, in the remaining seventeen months of the current biennium, receipts sufficient to balance the 1939-1941 budget, and to reduce the carry-over deficit by approximately \$4,000,000. On the basis of the minimum mentioned as your possible appropriation for unemployment relief, additional revenue amounting to \$50,000,000 in the present biennium would be required to accomplish that objective. If you make provision for any further appropriations at this session, as for instance further old age security assistance, the amount of additional revenue required therefor must be added to these figures.

Before suggesting or recommending to you definite sources of new revenue and specific measures to obtain it, I wish to restate my concept of the fundamental principle which should control taxation. Taxes should have a direct relationship to ability to pay. Governments should,

so far as possible, avoid those levies which fall with particular severity upon low income groups, and should utilize taxes which increase in accordance with the income of the taxpayer. In keeping with this principle, it is obvious that the State of California should not increase its present retail sales tax nor enact a general gross receipts tax. It should not levy a property tax for State revenue. Each of these possible means of raising additional revenue would throw the State tax system further out of balance on the side of regressive taxation. It would operate to further curtail consumption, and increase unemployment.

Sound, equitable and progressive principles of taxation require that additional revenue, needed to continue the essential services of government and maintain the State's credit, be obtained through adjustments in net income taxes; a severance tax on the depletion of our rich and irreplaceable natural resources; levies upon luxuries and non-essential items of consumption. Such measures, together with legislation to close loopholes in our existing tax laws, and increases in horse-racing license fees, will provide ample revenue to meet the State's current fiscal emergency. Therefore, I suggest to you the following revenue sources and recommend the enactment of tax measures which will yield therefrom the funds necessary to balance the current State budget.

In order to expedite your consideration of such measures I have had bills prepared for introduction, specifically responding to the suggestions here outlined.

PERSONAL INCOME TAX

Adjustments in Rates

A comparative analysis of State personal income taxes in the United States shows that the tax imposed in California upon annual incomes of \$50,000 or less is well below the average tax in other States. Today the California taxpayer with \$5,000 of taxable net income pays a State income tax of only \$50. This is extremely low when compared with the \$245 required in Oregon, \$210 in New York, or \$139 in Minnesota and Iowa. An adjustment can be made in the present rate schedule sufficient to produce from \$5,000,000 to \$10,000,000 a year in additional State revenue without placing an undue hardship upon the citizens and residents of California.

Personal Deduction

The present income tax law allows the taxpayer a flat exemption of \$1,000 if a single person, or \$2,500 if married or the head of a family and a credit of \$400 for each dependent. Personal exemptions and credits for dependents are, of course, entirely equitable features of any income tax. However, under our existing law they operate as a deduction from net income in computing the amount subject to taxation, with the result that the smallest taxpayer is granted a reduction in tax liability equivalent to \$10 if he is single, or \$25 if married, and the equivalent of \$4 for each dependent. The largest taxpayer, on the other hand, is granted a reduction in tax liability of \$150 if single, \$375 if married or head of a family, and a credit equivalent of \$60 for each dependent. California might well follow the lead of five other

income tax states by providing a credit against tax in the amount of \$10 for each single person, \$25 for each married person or head of a family, and \$4 for each dependent. If this change were made, all taxpayers would be treated impartially, and the State would receive from \$2,000,000 to \$7,000,000 additional tax revenue per year, depending upon the rate schedule adopted.

Loophole-Closing Amendments

Under the present law many taxpayers are allowed to take large deductions on account of interest and taxes with respect to the purchase and ownership of expensive pleasure yachts and cars, valuable jewelry, and expensive residences and estates, thereby greatly reducing the amount of income taxes they pay. Such expenditures are personal or living expenses and should be disallowed as are other personal or living expenses in the computation of income taxes. In order positively to assure that the equitable feature of this change in the law would not operate to impose additional burdens upon the ownership of homes by persons of moderate means, any taxpayer should be allowed a deduction from gross income in the amount paid out for interest and taxes, but not to exceed \$500 for any taxable year. It is estimated that this revision in the law would produce approximately \$700,000 additional revenue per year under the present rate schedule, and substantially in excess of this amount if the tax rates were increased.

Treatment of capital gains and losses is a perplexing problem in determining an equitable method of taxing incomes. Approximately \$900,000 in additional taxes could be obtained by amending the present law to provide that gains from the sale of capital assets shall be accorded the same treatment as other gains, that capital losses may be deducted from capital gains, and that the excess of losses over gains in a particular year may be deducted from gains in a subsequent year. While immediate additional revenue would result from such a change as that outlined, it should be observed that a decrease in revenue below that obtaining under the existing law would result during periods of great financial crisis and deep depression. At such a time losses would offset gains, with the result that the State would receive little revenue from investment operations of its income taxpayers.

Two further amendments to the personal income tax law should be considered, although in each instance the amount of additional revenue realized would be extremely small as compared with that which would result from the changes above outlined. Income from trusts established by parents for the support of their minor children should be taxed to the parent; and deductions for gifts and donations should be limited to gifts and donations actually made during the taxable year, and, where consisting of property, the deduction should be limited to the cost of such property to the taxpayer. The former amendment will close one of the loopholes most frequently utilized by wealthy taxpayers; the latter involves only a strengthening and simplification of the present law with respect to gifts and donations. Sufficient information is not available from which an accurate estimate could be given of the additional revenue that might be thus realized; but its amount would be comparatively small.

It should be pointed out that any upward adjustment in the present rate schedule would result in corresponding increases in the income to be derived from these loophole-closing amendments.

BANK AND CORPORATION FRANCHISE TAX

Tax Rates

Banks and corporations operating in California pay a franchise tax in accordance with the amount of net income earned on their operations. In keeping with the principle of taxation according to ability to pay and in view of the present financial needs of the State, the Legislature should re-appraise the present rates imposed under this tax law. An increase from 4 per cent to 5 per cent in the rate on general corporations and from a maximum of 8 per cent to a maximum of 9 per cent in the bank tax rate would produce approximately \$5,000,000 in additional revenue annually.

Minimum Tax

Under the Bank and Corporation Franchise Tax Act, corporations, regardless of their size and the extent of their operations, are required to pay a minimum tax of only \$25 per year. With such a provision in effect, if no net income is realized, a corporation having an investment of many millions of dollars in this State pays the same for its operating franchise as a small firm with an investment of only a few thousand dollars. The privilege of doing business as a corporation is of immense value to the company with large holdings, regardless of the temporary condition of its current income. It is recommended, therefore, that the minimum tax provision of the franchise tax act be amended to require a minimum tax of \$25 per year or an amount equal to one-twentieth of one per cent of the corporation's assets situated in California, whichever is the larger, but such minimum tax in no event to exceed \$10,000. This change in the existing law would result in additional taxes amounting to \$2,200,000 per year.

Loophole-Closing Amendments

Three loophole-closing amendments should be considered with a view to strengthening the present Bank and Corporation Franchise Tax Act. These, in brief, are as follows:

1. Provide that inter-corporate dividends should be treated in the same manner as other income in computing the franchise tax, except where the subsidiary corporation is at least 95 per cent owned by the taxpayer corporation. Present provisions of the law with respect to the taxation of dividends received by corporations present one of the most vexing problems of administration of this tax. An amendment such as that outlined not only would produce approximately \$400,000 additional yearly revenue at the present tax rate and \$500,000 with a one per cent increase in rate, but also would materially reduce the cost of administering this tax.
2. Disallow the deduction for interest on notes or other evidence of indebtedness if the obligation to pay interest upon such indebtedness is conditioned upon or measured by the amount of

- earnings or profits of the taxpayer corporation, or if the evidence of indebtedness has no fixed date of maturity.
3. Strengthen the existing law to prevent avoidance of tax by contractual arrangements between affiliated corporations.
 4. Amend the franchise tax act with respect to gifts and donations as outlined above for the personal income tax.

No accurate estimates of additional revenue that may be realized from the last three amendments itemized are available.

ALCOHOLIC BEVERAGE TAXES AND LICENSE FEES

In comparison with similar taxes in other States the present State excise taxes on distilled spirits, beer and wine are very low. An increase in the tax on distilled spirits from the present rate of 80 cents per gallon to the national average of approximately \$1.00 per gallon would produce an additional \$2,000,000 per year, while an increase in the tax on beer from 3 cents to 5 cents per gallon (the national average) would result in \$2,400,000 more revenue than is now received from that source.

With respect to the tax on wine, the present California rate is below that of any other State. An increase to the lowest rates in effect elsewhere, namely 5 cents per gallon on dry wine and 10 cents on sweet wine, would produce annually \$1,300,000 more in sorely needed State revenue. Certain of the present liquor license fees can be adjusted with equity. It should be possible to obtain at least \$1,400,000 per year for the State General Fund through adjustments in the charges for these licenses. In connection with the increases recommended here, it should be noted that these excise taxes and fees are levied upon non-essential items of consumption from which the taxpayer may well abstain, at least to the extent that he believes his indulgence is overtaxing himself.

INHERITANCE AND GIFT TAXES

An amendment of the inheritance tax law involving a moderate increase in the rates on all inheritances except those under \$25,000 received by direct heirs was proposed at the regular session last year. This recommendation merits reconsideration. If adopted, it would produce additional revenue to the extent of \$2,000,000 per year.

The gift tax enacted in 1939 should also be amended to provide rates paralleling those now recommended under the inheritance tax. If this is done, at least \$175,000 more can be anticipated from this source.

SEVERANCE TAX

Petroleum, natural gas, and natural gasoline are our richest natural underground resources. They are fugitive substances subject to capture and drainage from the reservoirs and structures containing them wherever they extend. They are irreplaceable and will be exhausted in a comparatively few years, probably during this generation. The consumer now pays heavy sales taxes on gasoline and other petroleum products, but the producer and royalty owner pay no tax to the State in their exploitation and depletion of these natural resources. The principal argument of representatives of large oil producing interests, even before legislative committees, in opposition to a severance tax on

oil, natural gas and natural gasoline, has been that it can not be passed on to the consumer. All recognized authorities on taxation approve severance taxes on mineral resources, such as oil, natural gas and natural gasoline as a sound and equitable tax base. Nineteen states now have severance taxes on one or more of their natural resources, and in many of these states this is the source of a substantial amount of revenue. With one exception, all other major oil-producing states have a severance tax on petroleum production. California is the second largest oil and gas producing State. A two per cent tax upon petroleum, natural gas and natural gasoline as produced, would yield revenue amounting to approximately \$6,000,000 per year, while a three per cent tax would amount to \$9,000,000.

TOBACCO TAX

In selecting sources of additional State revenue, consideration should be given to the enactment of a cigarette and tobacco tax in California. At the present time, twenty-five of the forty-eight States have imposed levies either upon cigarettes alone or upon all tobacco products. It is estimated that a tax of 2 cents per package on cigarettes, 1 cent per ounce on smoking tobacco, 1 cent on each cigar retailing for over 5 cents, and varying rates on other tobacco products, would return \$8,250,000 in State revenue per year. Of this amount, approximately \$5,800,000 would come from the 2 cent tax on cigarettes and the remainder, \$2,450,000, from the tax on other products.

MOTOR VEHICLE TRANSPORTATION LICENSE TAX

The present three per cent gross receipts tax upon motor carriers applies only to operations upon State highways and does not extend to operations conducted within city limits. This appears to be an entirely arbitrary limitation, and this tax might well apply to all commercial operations in the State. In addition to the \$1,200,000 of annual State revenue which would be obtained by extending this tax to city carriers, the administration of the existing law would be greatly simplified with respect to the determination of tax upon operations partly within and partly without city limits.

INSURANCE GROSS PREMIUMS TAX

In view of the fact that the existing Insurance Gross Premiums Tax was established in 1921 and revisions in taxes upon other types of business have been made since that time, the insurance tax should be analyzed with a view toward obtaining an increase in the yield. This could be done by raising the existing 2.6 per cent tax rate or by eliminating certain deductions allowed under the existing law. An increase in the present rate to three per cent could yield approximately \$1,300,000 annual revenue. At present, insurance companies offset taxes paid upon real property located in California against the gross premiums tax imposed by the State. The original intent of this provision was to encourage and assist California insurance companies. In actual practice, however, the larger part of the benefit accrues to out-of-State companies having extensive real estate holdings here. Furthermore, this benefit accrues to relatively few companies. In view of this fact, it would seem logical to amend the State Constitution to eliminate

the so-called real estate offset. Although no additional revenue would be received during the current biennium, if this constitutional amendment were approved by the voters, approximately \$1,500,000 more General Fund revenue would be received annually in subsequent periods. It has been held that dividends paid to policy-holders may be deducted in computing taxable gross premiums. An amendment to the law disallowing this deduction would result in a \$250,000 increase in the annual tax.

HORSE RACING LICENSE FEES

At the present time the license fee for conducting horse race meetings is 4 per cent of the money handled in the pari-mutuel betting pools operated in connection with such meetings. The revenue from this source is expended principally for the support of agricultural fairs throughout the State, and for the maintenance of agricultural schools. At your regular session last year, it was recommended that the State obtain a part of its needed General Fund revenue by imposing a graduated fee ranging from the present 4 per cent to 8 per cent, depending upon the volume of money handled at any particular race track. It is estimated that a graduated fee of this type requiring 8 per cent of all amounts in excess of \$10,000,000 would return approximately \$1,500,000 for the General Fund each year, and if the State takes all or any part of the "breakage," this return would be further increased very substantially.

\$50,000,000 IN NEW REVENUE

From the sources here outlined, a tax program to yield the \$50,000,000 necessary to balance the State budget during the current biennium can be obtained without violating the principle of taxation according to ability to pay and without having an unduly burdensome effect upon business or upon taxpayers generally.

GOLDEN GATE EXPOSITION APPROPRIATION

In order to assist the exposition on Treasure Island, in San Francisco Bay, to continue in 1940, I recommend that an appropriation be made to the California Commission for the Golden Gate International Exposition. The only way, perhaps, that any of the \$5,000,000 appropriated and already expended by the State in the building and conduct of this fair will be realized, is in increased revenues from sales, gas, and other taxes which are augmented by the expenditures of fair visitors. There remains unexpended the sum of \$550,000 of the \$5,000,000 originally appropriated for this exposition. The commission has presented a budget which calls for an appropriation of \$591,756 in addition to this balance on hand of \$550,000.

I am convinced that \$430,000 in addition to the balance on hand is sufficient, and recommend such appropriation, and also an additional \$85,000, which the commission may expend for maintenance and operation of county exhibits which the county budgets have not included this year. These recommendations are made with the proviso that sufficient revenue be raised to meet such appropriations.

The San Francisco Convention and Tourist Bureau and other interested civic and business groups have requested me to allow the consideration of an additional appropriation to the commission to be

expended for the purpose of bringing political conventions to the State during the fair. I am informed that an appropriation of \$150,000 for this purpose might result in the success of their efforts to bring such conventions to San Francisco. I am assured that this would undoubtedly bring large numbers of people to the fair, contribute to business activities and aid the fair's success in 1940. Such an appropriation, if made, should be ear-marked so that it will be returned to the General Fund in the event a convention of either of the two major political parties is not held in California in 1940.

OLD AGE PENSIONS

Another subject submitted for your consideration is that of amending our old age security law so as to cancel and remove authority to secure liens or other claims against the small property holdings of recipients of old age assistance.

The present provision authorizing boards of supervisors, in administering this aid, to require agreements imposing such claims when exercised is, I am advised, of little net value to the State, county or Federal government, considering costs of its enforcement. Besides it places an unnecessary hardship upon many elderly persons deserving and eligible for old age assistance.

I am advised that not more than 20 per cent of the eligible applicants for old age assistance have any interest—present or prospective—in any real property. Such interest, when found to exist, usually consists of doubtful equities held by those who have lived thrifty lives only to see their savings lost as a result of economic depression. Such persons cling tenaciously to the hope that changed conditions may take them out of the class of eligibles for old age assistance.

I, therefore, recommend appropriate amendments to our old age assistance laws, so as to eliminate the lien on property agreement provisions found in sections 2226 and 2229 of the Welfare and Institutions Code.

Liberalization of Old Age Assistance

There is submitted to you also the question of reducing the age qualifications for the aid granted under our old age security law. The granting of such aid is now generally accepted as both a social responsibility and sound public policy.

Old age assistance in California was first authorized by an act passed in 1929. It has been amended and liberalized by amendments adopted in the legislative sessions of 1931, 1935, 1936, and in your session of 1937.

Along with its phenomenal growth in population, in capital investments and industrial development, California, because of its marvelous climate and other natural advantages, has attracted elderly citizens of other states who come here to retire upon the savings of their productive years. In the decade prior to the depression of the past ten years, chambers of commerce and representatives of commercial and promotional activities, through systematic advertising urged such people to make their homes here and enjoy California's climate and agreeable environment. As a result, there was an influx of elderly persons with resources adequate for their maintenance the rest of their lives. During the

depression of the past ten years many of these elderly people lost their resources, incomes and their investments made in California.

This fact, added to the displacement from private employment of people of advanced age, and the hardships, want and suffering generally resulting from unemployment, has caused this State to take the lead in expressing sentiment in favor of old age pensions and the liberalization of existing old age assistance acts.

The fact that this sentiment has at times been seized upon by self-seeking demagogues or racketeers primarily interested in propagandizing for and securing contributions of huge funds in the promotion of unworkable schemes offering promises for payment of pensions to the aged which could not possibly be fulfilled, should not prejudice the principles of social justice. These call for liberalization of the Old Age Security Act to the maximum of the public's financial ability to pay. The tremendous support thus aroused and the sincerity of that support should rather be considered as a manifestation of conditions of hardship and destitution in which our elderly people find themselves and as their attempt to articulate their demands for relief.

The platform on which I was elected declares: "For purposes of uniformity, old age pensions, in their entirety, should be financed and administered by the Federal government. Until that is accomplished, we shall favor State provision for the aged to the extent that public finances will permit."

Up to now Congress has failed to provide for Federal financing and administration of old age pensions, still leaving it to the several states to determine whether they shall match or exceed the amounts presently given by the Federal government to the respective states toward old age assistance. This aid, as you know, now amounts to \$20 per month. The State and counties of California are required under our present act to pay an equal amount on the basis of need to eligible persons who have reached the age of 65 years.

On the basis of need and merit and from the standpoint of social justice senior citizens between the ages of 60 and 65 years are equally entitled to this assistance with those who have reached the age of 65.

It is anticipated that the present session of Congress may at least extend to all eligible needy over the age of 60, the aid now given eligible needy who have reached the age of 65. I urge the Legislature to memorialize Congress to take that action.

For California to do likewise and provide \$20 per month to those over sixty would require approximately \$12,000,000 per year, and remove many relief cases from S.R.A. Approximately 75 per cent of our present old age assistance cases comprise citizens who have resided in California more than 15 years. The door for this aid is not open to newcomers.

In view of the tax burden now carried by the counties and the clamor by the counties for the State to aid them in carrying their share of the amount required to meet the present old age assistance provisions, the counties can not very well be expected to carry a larger old age assistance tax burden at the present time. Any amendment made to lower the age limit from 65 to 60 should therefore provide for the payment by the State of the full amount of assistance given to eligibles coming within that category.

This would mean that if \$20 per month is immediately paid for old age assistance to those between 60 and 65, State revenues to the extent of \$12,000,000 must be provided. If you provide for this additional revenue, which I recommend, in addition to revenue needed to balance the current budget, I also recommend that this liberalization of the present law be made immediately.

If you do not provide for revenue to presently meet the requirements of such an amendment, then in any event I recommend that such an amendment be made, to become effective whenever the Federal government shall furnish the State the same Federal assistance for old age pensions to those between 60 and 65 as is now furnished to those over 65.

In addition to such legislation and memorial, I also urge the passage of a memorial to the President and the Congress of the United States, asking that the Federal government take over the financing and administration of old age pensions in their entirety and provide, on a basis of need, at least \$60 per month for all eligible citizens who are over the age of 60 years.

STATE HOUSING AUTHORITY

Another subject submitted for your consideration is legislation to create a State Housing Authority; to undertake slum clearance and projects; to provide dwelling accommodations for persons of low income and to take advantage of the provisions of the United States Housing Act of 1937.

There is now pending in the Congress of the United States a bill which doubles the present \$800,000,000 program of the United States Housing Authority. It specifically earmarks \$200,000,000 of said funds for the assistance of projects to provide housing for families of low income in rural areas. The State of California will be eligible to receive \$80,000,000 of these funds for low cost housing, if this bill is passed. It is important, therefore, that legislation be enacted immediately to enable California to fully participate in this program.

As you all know, the existence of unsafe, insanitary and unfit dwelling accommodations, particularly for migratory workers, has produced an alarming economic and social condition in the State of California. From both our urban and rural districts has come the documented stories of the menace of the slums to the health, safety, morals and welfare of the citizens of our State.

Our housing problem, in its most acute form, is essentially a problem of rural housing.

Contrary to most public opinion, the State government, as such, is already deeply involved in the housing problem. The Relief Administrator is spending millions in rent for the most miserable housing for relief clients.

In the San Joaquin Valley counties alone, the State is spending from \$100,000 to \$125,000 a month for relief client rents; for shacks, hovels, cheap auto camps and tent camping space. The fruit of these rent payments is this: rural slums have become highly profitable to their owners, while demoralizing and destroying the health of their occupants.

For a great many years, most of the seasonal agricultural workers, numbering from 175,000 to 200,000 people, were aliens who left the rural valleys at the conclusion of the season. Today, as a result of the Dust Bowl influx, and many other causes, a very large percentage of these workers are Americans who are trying to settle down. Thousands of them have taken root and have become residents.

These people have been housed in labor camps, shack towns and auto camps. Last year there were some 4500 farm labor camps with a population of 145,000. As the name implies, these camps are designed merely for temporary, seasonal occupation and are wholly inadequate for permanent housing. Last year the cotton camps were 60 per cent to 70 per cent occupied throughout the winter. The overcrowding was appalling, with as many as eight persons living in a one-room cabin.

Many of these workers, not permitted to remain in the labor camps after the season, have moved into shack towns adjacent to the valley cities and towns. These shack towns present a most distressing problem because they are located, for the most part, in areas not subject to adequate public regulations. They are mushroom communities, flimsy, unplanned, unregulated and uncontrolled. For the most part, they are devoid of sanitary facilities. They are located on river banks, ditch banks and other unlikely spots. The housing is primitive, consisting of shacks, tents, lean-to's, and dugouts, shockingly overcrowded.

Because of the peculiar origin and nature of California's rural housing problem, the only practical approach possible is from the point of view of the State as a whole. A housing authority predicated upon decentralization with initiative and responsibility assumed primarily by cities and counties serves very well and we already have a few very active housing authorities operating under the authority of our enabling acts passed in 1938. But, where rural housing is the major element, I find that it is the State, rather than the counties or towns, that must assume initiative and responsibility. This is true for a number of definite reasons.

In the first place, the rural counties of California have shown no indication that they realize the seriousness of the problem, or that they accept the responsibility for doing anything about it.

In the face of a growing housing shortage, which has been acute since 1935, no functioning authority has been established thus far in any of the rural counties. This demonstrates the necessity for State action.

In the second place, for the purposes of planning, the State is in a much better position to view the problem in its broadest aspects and to plan on a much more comprehensive basis than any one county could possibly hope to do. The State is in a better position than any of the counties to analyze this problem and to locate housing projects where they are to be of the most benefit.

In the third and final place, for the purposes of administrative economy and efficiency, a State Housing Authority offers many advantages over a number of separate, uncoordinated, independent county or small city authorities. Once a project has been constructed, administrative expense becomes very important, because it has a direct bearing upon the amount of rent to be charged. A single State agency can manage many projects with much less overhead cost than if each project be a separate unit under a county authority. Likewise, the State can

attack the job of construction with mass production methods, and build more cheaply, because of the larger scale of operations. The program, in other words, can be supervised as a whole, and the relation of every project to the other can be carefully weighed and considered.

A State Housing Authority would operate essentially in the same manner as city and county authorities operate under the Housing Authorities Law of the State of California. However, the State Authority would not be empowered to function in any city or county in California where a local authority is authorized to function and is functioning. I wish to make it clear that it is not the intention, in submitting a State Housing Authority bill, to permit interference of any kind with existing local housing authorities who are functioning, or who expect to function, under the provisions of the present Housing Authorities Law of California.

The State Housing Authority should be composed of five members appointed by the Governor. Aside from the administrative expense for the first year of operation, the State would assume no direct obligation. All other funds would come from the United States Housing Authority.

Practically no expense to the State is contemplated in this proposed legislation. The United States Housing Authority has informed me that the legislation, in the form in which it is to be introduced, meets the necessary Federal requirements. Therefore, I wish to caution against any changes in the form of the bill submitted, without the approval of the United States Housing Authority.

PROPOSED AMENDMENT TO CENTRAL VALLEY AUTHORITY ACT

By the narrow margin of two votes you failed to pass amendments proposed at your regular session last year to the Central Valley Authority Act which would enable California to keep faith with the Federal government and perform its duty to the people in the development of the Central Valley Project.

I have considered carefully whether such legislation could be further delayed until the next regular session, without injury to the public interest and without ignoring requests received from the Federal administration. I am convinced that can not be done and that the need for this legislation is so urgent that it would be a dereliction of duty on my part if I failed to include it in the subjects submitted for your consideration.

The Federal government will surely complete this project if California will do the things needed to be done and give the people its full benefit in the delivery to them, at the lowest possible cost, of the water and power from this project. That objective can only be obtained through public distribution.

I have received messages from President Roosevelt, from the Secretary of the Interior, from the United States Commissioner of Reclamation, and others representing the Federal government, urging that the State place itself in a position to make provision for public distribution of power in the discharge of its responsibilities in connection with this project.

The State Director of Public Works and the executive officer of the Project Authority have advised me that such enabling legislation should be enacted at this special session.

Immediately after the defeat at your regular session last year of the so-called Pierovich Bill (Senate Bill No. 863) containing such legislation, United States Reclamation Commissioner John C. Page proposed that State and Federal representatives, together with local groups, continue consideration of the matter.

During the fall numerous conferences were held and letters exchanged between the State and Federal governments concerning this needed legislation. Secretary of the Interior Harold L. Ickes already had urged that the State concern itself with providing distribution facilities for the water and power from this project, and President Roosevelt telegraphed his endorsement. These conferences culminated in a two-day meeting in Sacramento in December, attended by Federal, State and local representatives. As a result of this meeting an amendment to the Central Valley Project Act was again drafted. That proposed amendment in simple language would free up to \$50,000,000 of the \$170,000,000 of revenue bonds authorized in the present act to be used by the State in carrying out the purposes and objects of the act itself. It would place the State in a position to contract with the Federal government for distribution of the electric power developed by the project, instead of leaving the Federal government and the people to be served at the mercy of a private power distribution monopoly which would be its only purchaser.

Federal government officials are well aware of the need for haste in having this legislation enacted. They know the delays which follow if the distribution and marketing features of a project are left untouched until the project is completed. The Federal government and the people suffered loss from delays in providing for public distribution of power upon the completion of the Bonneville project in the State of Washington. Such a condition in California should be prevented by your action at this session.

Providing the means for public distribution of the water and power from the Central Valley Project should go hand in hand with the construction of the project, if the people are to realize the full benefits of both its water and power.

In the last few weeks I have received many communications from all parts of the valley, urging that I include this necessary legislation in the agenda for the special session. Only last week a meeting of two hundred farmers from the San Joaquin and Sacramento Valleys, many of whom were officials of irrigation and reclamation districts, unanimously adopted a resolution urging this action on my part. In view of its importance to the people of the Central Valley, to the Federal government and the State, I hope you will enact this proposed bill.

LIQUOR CONTROL

I am submitting for your consideration and recommending a constitutional amendment and fitting legislation transferring the administration and enforcement of laws relating to the licensing, regulation and distribution of alcoholic beverages from the Board of Equalization to a new State agency to be created.

The Board of Equalization was originally created in 1879 to equalize property valuations for taxation purposes, as between the

counties; to assess the value of certain public utility properties, and generally to supervise tax law administration.

Since that time other duties have been assigned, and the administration of other laws have been committed to this board, including the collection of gasoline and sales taxes, motor vehicle transportation taxes, etc., also that of administering and enforcing liquor control and liquor license laws.

There is now a strong public demand that all liquor control administration be removed from the Board of Equalization and vested in another separately constituted State commission, exclusively devoted to that work. This will, I believe, accomplish better liquor control administration, and will allow the entire attention of the Board of Equalization to be devoted to its other manifold and important duties.

During the past year this demand has become more general and more emphatic because of evils which have become very apparent in the board's administration of the liquor laws. Since the board members are directly elected by the people, various liquor interests spend huge sums of money to influence their election. As a result there have been recurring scandals in such elections as well as in connection with the performance of the administrative duties of the board.

Furthermore, the vast amount of time and attention required in properly handling the administration of the liquor control laws and the perplexing problems in connection therewith, so as to maintain honesty and efficiency in the service and carry out the provisions of the laws intended to minimize the evils of the liquor traffic, makes it essential that these duties be performed by a separate State agency or commission. Naturally the other work and tremendously important duties of the Board of Equalization can not be handled as efficiently as it should be unless the board be relieved of the administration of liquor control laws.

I therefore strongly urge that this be done, and that a separate State appointive commission be provided for to take over the entire administration and duties of administration of all State liquor control and liquor licensing acts.

SAN FRANCISCO HARBOR OPERATIONS

Recent and previous protracted tie-ups of the San Francisco Harbor, due to strikes and the inability of the waterfront employers and certain groups of their employees to adjust their differences, have resulted in huge losses to the public generally.

In order to avoid such recurring interruptions of the normal movement of commodities shipped through the State's harbor facilities at San Francisco, I strongly urge you to enact legislation enlarging the powers of the Board of State Harbor Commissioners by permitting it to supervise, regulate and control the receiving, handling, custody, and delivery of merchandise on the wharves and piers of San Francisco Harbor and on the property within its jurisdiction, to license and require bonds of ships' agents, and to do all things necessary for the direct operation of San Francisco Harbor facilities by the State of California.

The Port of San Francisco is one of the few ports in the United States that provides facilities only and that does not provide services

necessary in connection with cargo movement. Shippers located long distances from ports require certain services in connection with their shipments and, because of the fact that they are not present to arrange for them with various agencies, require that they be performed by one authority with complete control and responsibility. That authority, of course, must be the harbor authority. It has become increasingly important that all harbors perform these services in order that cargo handling may be more efficient and economical. If the Port of San Francisco is to be placed on a comparable basis with other ports, it must be in a position to perform these terminal services.

There is nothing new or radical in this proposal. Terminal services of this character are performed in various degrees by most of the ports of the world. Oakland, under its city charter, is permitted to and does perform terminal operations. The harbor of Long Beach, also under municipal control, has the privilege of doing all the things asked for in these amendments. Seattle, Portland, New Orleans, Camden, Houston and Galveston, and other important ports are permitted to and do perform such terminal operations.

In 1922 the Philippine Legislature passed an act conferring similar authority in the Manila Harbor Board. Manila soon became the most efficient and economical port in the Orient and is recognized as one of the most efficient in the world.

If the Port of San Francisco is to hold its position among the ports of the nation, it must be able to provide complete services. Necessary functions in the handling of cargo must be concentrated in order that duplication of effort may be eliminated.

It should also be borne in mind that the revenues of the Port of San Francisco have decreased recently because of the withdrawal of ferry services, the falling off in water-borne commerce generally throughout the country, and are seriously reduced by recurring strikes and lockouts which the services authorized by this proposal would help to restore.

STATEMENT REGARDING FIRE MARSHAL

A survey has shown that appalling fire hazards exist in the State institutions due to over-crowding, inadequate buildings and equipment, and lack of trained fire protection personnel. Experience has shown that institutional fires almost always result in the death of a high percentage of inmates. A fire of major proportions in one of our State institutions would result in a tremendous loss of life and the destruction of millions of dollars in State property. The whole subject of the correction of these conditions should be taken up by the Legislature as soon as possible. I believe that it is imperative that legislation be enacted at once to furnish trained persons at each institution to supervise fire prevention and fire fighting in order to minimize the danger. At present this important duty is left to nurses, janitors and others inexperienced in fire problems. I have, therefore, asked you to consider the subject of the furnishing by the State Fire Marshal of fire prevention and protection service at the State institutions and providing an appropriation therefor.

I have also asked you to consider the subject of providing an adequate salary for the State Fire Marshal. The present law provides that he shall serve without compensation. Until recently, the State Fire

Marshal was paid adequately by the fire insurance companies. This practice has been discontinued.

The office of State Fire Marshal, entailing as it does the enforcement of the fire prevention laws relating to some 900 theatres, some 6,000 cleaning and pressing shops and countless other establishments and institutions in addition to the supervision of fire prevention and safety education, requires the full time of the person holding the office of State Fire Marshal.

A public official should not be dependent upon either private corporations or individuals for compensation for services rendered to the State; in fact, it should be unlawful for an official to receive compensation from private sources for his services. In order to secure the proper administration of the laws, provision should be made for a salary commensurate with the duties of the State Fire Marshal.

AMENDMENTS TO VEHICLE CODE

The Department of Motor Vehicles is faced with the necessity of making many adjustments in order that it may operate more efficiently and economically. In this connection, a legislative program has been prepared which, it is believed, will enable the department to operate within its budget for the first time in several years. I recommend its adoption.

SALARY READJUSTMENTS

At the regular session of the Legislature in 1939 there was eliminated from the budget bill for the present biennium the estimated necessary moneys for the salary and wage adjustments prescribed in the State Civil Service Act, for employees in State departments supported from the General Fund. It has been impossible to make these adjustments from other moneys appropriated, with the result that during the last six months only those employees in State departments supported from special funds have received the adjustments to which under the law all are entitled, provided their merit rating is sufficiently high. With about one half of the employees receiving the adjustments and the other half not, a situation has been created which is most confusing and demoralizing, and should be remedied with an appropriation to eliminate these inequalities.

Considerable time and effort has been devoted in stabilizing and equalizing State salary and wage ranges and in making provisions for normal advancement within those ranges on the basis of merit, and certainly if this principal is to be preserved, provision should be made to that end by an appropriation to take care of the employees in departments supported from the General Fund.

I recommend that this be done if sufficient additional revenues are provided therefor by measures passed by you at this special session.

PROPOSAL FOR STATE TO DRILL OIL AND GAS WELLS ON STATE LANDS

I am also submitting a measure empowering the State, through the State Lands Commission, to drill for oil and gas in State lands subject to certain safeguards and conditions.

The immediate problem prompting the inclusion of this subject in the call has grown out of a situation at and in the vicinity of Rio

Vista, California. A little more than two years ago dry gas was discovered in that locality.

Through this field runs the Sacramento River, the bed of which is owned by the State of California. While the limits of the field are not now definitely known, it is estimated that the State may control as much as 15 per cent of the field.

The State, through the State Lands Commission, has power now to lease such lands for oil and gas production and, in certain circumstances, may enter into compensatory agreements. Both of these methods involve a substantial payment of the proceeds to the particular lessee operator. Whereas, were the State to drill its own wells in proven areas such as the Rio Vista gas field, the cost of drilling the well or wells would be negligible and the risk definitely minimized. I am informed that a gas well in this field may be drilled for as little as \$45,000. Were the State to enter into a lease or leases at the prevailing royalty in the field of $12\frac{1}{2}$ per cent, the State's return would approximate \$500,000. On the other hand, were the State to drill its own wells, its gross return could amount to as much as \$4,000,000, from which the cost of drilling and small operating costs would need to be deducted. On this estimate alone there appears to be a difference of \$3,500,000, less, of course, drilling and operating costs.

OTHER SUBJECTS

There are included in the proclamation a number of items to allow you to consider ratification of charter amendments, validation of bonds, legislative printing, submission of proposed constitutional amendments, technical amendments of acts recently enacted, and a few like items such as the one to consider a soil conservation act which was passed at the 1938 special session, but which was held by the Attorney General to be of doubtful constitutionality because passed under a supplement to the proclamation calling the special session.

There are also a number of items to allow you to consider other measures which will substantially affect the welfare of large groups of people or subdivisions of the State. I have been assured that they are extremely urgent measures and of such well-recognized merit as will not unduly extend this session. Needless to say, the items included are but a small percentage of those urged for inclusion. I have been forced to refuse a large number of requests from sincere people, including members of the Legislature, that additional items be included. These must await the regular session of the Legislature.

CONCLUSION

I realize the hardship which a prolonged special session would impose on individual members, attributive to the fact that their compensation at the rate of \$100 a month is insufficient to meet their expenses and that their legislative work takes them from their usual employments upon which they rely for their personal and family needs.

In preparing the agenda I have had this in mind and it is far from my purpose to compel a prolonged session. In fact, it was far from my purpose to compel any special session at this time. As already stated, this session is called in accordance with your own plans at the adjournment of the regular session last year.

Because new revenue to meet your appropriations was not provided and the appropriation made for unemployment relief was made to cover only the period now expired, these are the major subjects contained in the official call, and you will observe upon careful analysis that there are not more than five other subjects that should occupy your time for any considerable period in determining your action thereon. As already indicated the remaining 57 subjects refer for the most part to routine and urgently needed technical amendments, charter ratifications, etc., which would not require any prolonged session.

Many other matters for important legislation should receive your attention, but are not included in the call because of my purpose to limit the agenda to matters of emergency and utmost need for immediate action.

This situation emphasizes the need for a change in the constitution of our legislative branch of the government so as to provide not only for adequate compensation to members sufficient to command their entire time, but also to provide for a one-house body which will meet every year for as long as it is necessary to act upon legislation requiring statutory changes, and constructive measures for the progress and welfare of the people of the State.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

FIFTY-THIRD LEGISLATURE
SECOND EXTRAORDINARY SESSION

CONVENED MAY 13, 1940



MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, May 13, 1940

To the Senate and Assembly of the State Legislature of California

GREETINGS: Events occurring since the issuance by me of the proclamation calling a special session of the Legislature on January 29th last, have produced conditions requiring another special session of the Legislature for the enactment of urgency legislation to meet conditions caused by those events. I, therefore, issued a proclamation calling for another special session fixing the time for its convening at ten o'clock a.m. on Monday, May 13, 1940. The subjects specifically submitted in this proclamation are the following:

First: To consider and act upon legislation making an additional appropriation to the Reclamation Board for construction, land, rights of way, easements, and general administrative operations and overhead, in augmentation of the appropriation made by Item 206 of the Budget Act of 1939.

An additional appropriation of \$1,900,000 is required for this purpose.

Briefly, the reasons for and conditions justifying this additional appropriation are as follows:

The extraordinary floods of the Sacramento River and its tributaries occurring in March and April of this year have done great damage to the river levees and other works of the Sacramento River Flood Control Project. These damages must be repaired before another flood season, in order to avert even worse and irreparable damages.

The Sacramento River Flood Control Project is a plan, now being prosecuted by the Federal and State governments and local interests, for the protection of the Sacramento Valley from the floods of the Sacramento River and its tributaries. The plan has as its coordinated purposes: First, flood control, making possible the maintenance of river levees and the forming of self-scouring river channels; second, the scouring out of mining debris which has accumulated in the river channels; and third, the restoration and maintenance of navigation.

The project has been under construction under the present plan since 1928. In your regular session of 1939 you appropriated \$1,211,570 for the State's share of the 1939-41 program thereunder. Because of the extraordinary floods referred to, the public welfare in the preparation for future flood seasons requires immediate enlargement of the 1939-41 program under this project.

Levee breaks in the recent floods occurred in levee sections not as yet constructed to standard specifications. The breaks occurring in these floods resulted in the inundation and consequent severe damage to some 350,000 acres of reclaimed land. Great difficulty was experienced in preventing further breaks and overtopping of levees that were not up to standard. This condition requires the completion of all pro-

grammed works for the 1939-41 construction season. To be effective, this work must be consummated before the next flood season.

The amount of the additional appropriation of \$1,900,000 which I recommend is based upon surveys and recommendations of the State Reclamation Board and the California Debris Commission.

Attention is called to existing Federal requirements which stipulate that the State's share of participation in this project must be transmitted to the Treasurer of the United States before contracts may be let by the California Debris Commission. In addition, there is required a thirty-day period of advertising the contracts for bids. It should also be noted that time is needed for the Reclamation Board staff to secure the necessary rights of way and borrow areas before construction can commence.

The State funds appropriated by you should be made available not later than June 1, 1940. This would enable bids to be opened on the largest and most urgent items of construction on or about June 20th, and successful bidders probably would start actual construction early in July.

The total yardage that should be placed in levee sections before next flood season is approximately 9,400,000 cubic yards on about 70 miles of levee.

The recent disastrous floods have eroded and weakened Sacramento River Flood Control Project levees to such an extent that the necessary funds must be made immediately available so that these protective works can be reconstructed and restored to standard specifications before the next flood season. The lives and property of over 250,000 inhabitants in an area exceeding 1,000,000 acres of highly developed agricultural land are exposed to a repetition of devastating floods that might again result in tremendous loss of life and property.

These levees also safeguard a large public investment in State and county highways and other public works in the counties of Butte, Colusa, Glenn, Sacramento, Solano, Sutter, Yolo and Yuba.

Second: The next and related subject included in the proclamation calling this special session is an appropriation to the Emergency Fund created by Item 212 of the Budget Act of 1939 for the cost of repair and restoration of property damaged or destroyed by storms and floods and for work and remedial measures designed to avert, alleviate and prevent such damage and destruction.

The unusually heavy rains and floods occurring in the months of February, March and early April of this year were particularly disastrous in most of northern California. The first and greatest flood occurred from February 25th to March 2d, when as much as twenty inches of rain fell in a five-day period and the resulting floods were in many places higher than any known record. Ten lives were lost, a thousand square miles of land flooded, and damages amounting to about twelve million dollars occasioned. A report covering the effect of this flood in detail and itemizing the damage, both by location and character, was prepared by the Department of Public Works and submitted to me on March 18th. Reference is made to this report for a full description of this flood and the ensuing damage.

Great distress has been occasioned by this flood emergency, and widespread appeals have been made for State and Federal assistance. The Federal Government has responded by making WPA funds available, by disaster loans, by easing of Federal Land Bank payments, and in other ways. The State is expending \$60,000 from the Emergency Fund in the closing of the more critical levee breaks, and has set aside an additional \$250,000 from the Emergency Fund for flood damage restoration work. Applications for State assistance totaling about two million dollars have been received.

There is ample precedent for such assistance. Following the storms and floods of the winter of 1937-1938, when flood damage in large amount occurred in most parts of California, the Legislature in special session in March, 1938, appropriated five million dollars for flood damage restoration, which sum has practically all been allocated and expended under close technical and financial supervision by the State. Following the precedent established in 1938 in extending State assistance, in communities damaged by floods and which are unable themselves to carry on the work of rehabilitation, State assistance is necessary and justified.

All applications for State assistance are being investigated in the field by Department of Public Works engineers, and reports on many are completed. An estimate of the appropriation to the Emergency Fund necessary to meet this State obligation fairly and properly, using the 1938 criteria as to eligibility will be furnished me by the Department of Public Works within a day or two. This will be duly transmitted to you with my recommendation as to the amount of your appropriation.

Third: The third item contained in this Proclamation is that you consider and act upon legislation to provide for the acquisition and construction, maintenance and operation of a system of works for the control, storage, conservation and utilization of the waters of the Napa River and its tributaries.

In the Napa Valley a water shortage has become acute and urgently calls for solution.

The water supply for the Veterans' Home of California, and other State institutions in Napa County, is inadequate. Chapter 760, Statutes of 1937, and Chapter 678, Statutes of 1939, both urgency measures, appropriated moneys to be expended by the Department of Finance for the purchase or construction of a dam and water distribution system for the Veterans' Home of California, and other State institutions in Napa County.

By Chapter 413, Statutes of 1935, the Rector Dam Authority was created and given authority to investigate and determine the best method of impounding the waters of Rector Creek, in Rector Canyon, and the feasibility of erecting a dam and constructing a system for the distribution of the waters of Rector Creek to the public or to municipalities, or to public districts, or to State institutions or agencies. It was given jurisdiction over a portion of Napa State Farm, from which the present water supply for the State institutions is taken, for use as a site for the construction of a proposed dam. It was also given

authority to issue revenue bonds to the Federal Government to construct a dam and necessary distribution system.

A survey is now being made by the Department of Public Works for the purpose of determining the most feasible and economical location for a dam and reservoir, but it would appear that additional legislation is necessary before starting construction, whatever the survey may indicate to be the best means of meeting the situation.

Under existing legislation the Rector Dam Authority can not use the funds appropriated to the Department of Finance for the construction of the dam. On the other hand, the Department of Finance has available the moneys appropriated, but it has no jurisdiction over the proposed Rector Dam site, which is vested in the Rector Dam Authority, and could not use the site if it were determined that it was the best location for the dam. The appropriations to the Department of Finance are also limited to the purchase or construction of a dam and water distribution system for the Veterans' Home of California, and other State institutions in Napa County. In the event sufficient water were impounded by the dam constructed by the Department of Finance to leave a surplus after the supplying of the State institutions in Napa County, there would be no legal authority for distributing this water.

In order to protect the State's investment of several millions of dollars in its institutions in Napa Valley; to avoid the impairment of the health of inmates by reason of the lack of adequate water; to eliminate a serious fire hazard; to bring together money and lands heretofore made available to different agencies, and to otherwise cure the defects of existing legislation and to permit the acquisition of a sufficient water supply upon the most sound economical basis, it is deemed necessary that such a measure prepared under the direction of the Director of Finance and Director of Public Works will be duly submitted for your consideration. The need and urgency for such further legislation is attested by the previous enactments which have been cited.

Fourth: The fourth subject submitted in this Proclamation for your consideration is the making of an appropriation to the Department of Natural Resources for fire suppression and prevention.

Adequate fire protection for our forests and watersheds is also related to the flood control program; but, independent of the aid which adequate fire protection of our forests would be to flood control, the need for additional funds for fire suppression and prevention is so vital and immediate that your action in responding to it is a very urgent necessity.

A state-wide Fire Control Plan has been adopted by the present State Board of Forestry, as a result of a careful study of the actual fire situations which have occurred in California during the past ten years. The technicians and forest rangers of the Division of Forestry have assisted in the preparation of this plan; and in its adoption the Forestry Division has also had the advice and cooperation of the United States Forestry Service.

In view of the approaching fire season the total special appropriation requested for the period from May 15, 1940, to June 30, 1948, is \$883,600, which appropriation I hereby recommend.

These additional funds are required because they will result in a future saving of fire control money, as well as of taxable wealth, many times greater than the proposed expenditure.

These additional funds are also necessary to compensate for the lack of protection which has resulted from the withdrawal of the Civilian Conservation Corps from first line fire protection.

The members of the Legislature have been furnished detailed information in support of this recommended appropriation and the urgency thereof, including the following information:

During the calendar year of 1939 the State Division of Forestry suppressed 6,864 fires burning in timber, watershed, range and grain areas and incidental structures.

These fires burned over more than half a million acres of State protected land. The losses sustained are not to be calculated merely for our generation, for there were losses not only of homes, live stock, property, range, grain and timber, but in addition we have the huge and incalculable loss of fertile soil washed from the watersheds by millions of tons into the streams and rivers and into the sea. These are the most serious damages of all, and they will not, and can not, be replaced within many generations, if ever.

The fires of the last season and of previous ones are a contributing cause of the floods of the current spring season. This is established beyond all question of doubt. Without better fire suppression and prevention of the annual loss of protective forest cover, future flood crests will rise to unprecedented heights. Future rains will erode the exposed soil of mountain and foothill slopes, bringing ruin not only to these lands but to the valley farms and communities below.

During 1939 there were 6,864 of these fires. During 1940, with the best of luck, Division of Forestry will suppress not less than 4,000 fires.

Yet the budget of the Division of Forestry has never been adequate to meet these normal and known conditions. Each year huge emergency and deficiency appropriations have been made when the emergency was upon us; they were necessary and compelled by calamity.

The cheapest and most efficient way to suppress fires is before they occur, or, in any event, at their inception, and the additional appropriation should be considered as an economy measure.

Fifth: The last item or subject submitted in this Proclamation for your consideration is the rescission of the action of the present Legislature in adopting Senate Constitutional Amendment No. 9, Resolutions Chapter 119 of the Statutes of 1939, which would automatically be submitted to the voters at the general election of this year.

My reasons for submitting this subject and recommending, which I do, the rescission of your adoption of this proposed constitutional amendment are two-fold.

First: It is the only way open for me to go on record in the journals of your proceedings against the adoption of this amendment; and

Second: My belief that the far-reaching, injurious consequences of this amendment, if adopted, may not have been given the consideration due the subject when the resolution was passed.

This proposed amendment would allow for unlimited encroachment on the executive branch of the government by the judicial branch, contrary to the basic conception of the independent functions of the three branches of government under the American constitutional system. It would place in the courts a responsibility to determine purely administrative acts.

Every order or determination of any administrative officer, board or commission in the performance of their duties under the Constitution and in the administration of the acts of the Legislature, would be subject to review, trial de novo, revision or revocation upon appeal therefrom to a judge of a superior court, regardless of the fact that the order or determination is purely an administrative act under all standards and precedents established throughout the history of our constitutional system.

It would enable any private interest to obstruct the execution of acts of the Legislature, by compelling administrative orders made under them to run the gamut of judicial procedure until a court of last resort, after long delays, shall tell the administrative officer or commission whether and how the law may be enforced.

The effect would be a circumvention of the execution of laws and a promotion of governmental inefficiency.

I can not too strongly urge your reconsideration of this resolution, with the hope that you will rescind it.

This special session is called for an hour immediately prior to the resumption of the special session previously called, in expectation that you may delay resumption of the previously called special session to act or initiate action upon these urgency matters before resuming that session.

Respectfully yours,

CULBERT L. OLSON
Governor of California

FIFTY-THIRD LEGISLATURE
THIRD EXTRAORDINARY SESSION

CONVENED SEPTEMBER 13, 1940

MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, September 13, 1940

*To the Members of the Senate and Assembly of the California
Legislature, Sacramento, California*

GREETINGS: You have been called into special session on this date for purposes set out in a communication which I addressed to each of you when issuing the proclamation. Briefly, they are these:

- (1) To provide further for unemployment relief.
- (2) To create and provide for a State Council of Defense.

In the matter of Unemployment Relief, the State Relief Administrator reports to me that an immediate appropriation of at least \$1,450,000 is necessary to carry the present unemployment relief caseload from September 11th to September 30th, both dates inclusive, or all unemployment relief payments must be discontinued during that period.

To meet unemployment relief payments from September 11th through September 14th it was necessary for the Director of Finance, with my approval, to authorize incurrence of a deficiency of \$300,000 for that purpose. This amount is the maximum deficiency allowable according to the Attorney General's opinion, numbered NS 2082-A rendered to the State Controller December 11, 1939.

I was informally advised that the President Pro Tempore of the Senate and the Speaker of the Assembly intended to reconvene the Legislature on September 21st for the purpose herein contemplated. I would have preferred this procedure, and would, if possible, have avoided calling you into special session before then.

I understand that your Joint Committee on Unemployment Relief, in fixing September 21st as the date for reconvening, was under the impression that a larger deficiency could be authorized by the Director of Finance and the Governor; an impression caused by the following communication dated September 7th, from Director of Finance John R. Richards to Relief Administrator S. G. Rubinow, which was called to the attention of the Committee by Mr. Rubinow:

"Because of prior commitments, it will not be possible to finance unemployment relief out of the Emergency Fund from September 11th to September 21st as recommended by the Legislative Fact Finding Committee on relief. Resolution of committee should be to the effect that Director and Governor authorize relief administration to create a deficiency to be paid from any appropriations to be made by subsequent legislative action. With such a resolution of the committee, you could be authorized to use present cash on hand already committed for other expenditures to continue relief payments until Legislature meets and takes necessary action on September 21st and their action is enacted into law."

Since your Joint Committee is familiar with the present and prospective relief load under the terms of present law, Chapter 45 of the First Extraordinary session, and the present need for action, on your part, to release or appropriate additional funds for immediate use, doubtless, the full advice and recommendation of your Joint Committee will be immediately available, so that you may readily act upon this emergency, perhaps within one day.

In the matter of a State Council of Defense, every consideration of national and local defense warrants your prompt and vigorous action. I have heretofore appointed a State Council of Defense and the Executive Committee thereof. They have been at work since last June 24th with the formulation of plans and program for State and home defense and for civil defense activities, in accordance with advice and instructions received from the Council of National Defense and its advisory committee and with the aid and cooperation of a representative of the War Department.

In order to carry on this work, the council should be established and its support funds should be provided through legislative act.

A bill will be presented for these purposes. It will provide for the establishment and organization of this Council of Defense in the executive department of the State government in accordance with the plans of the Council of National Defense and its advisory commission and other agencies of the Federal Government, with power to plan for the mobilization of agricultural, industrial, communication and transportation facilities, for the preservation of the public peace, health, safety, and welfare, for the protection of individual rights and consumer interests, for the suppression of sabotage and subversive activities, to cooperate with similar agencies authorized to be established in the cities and counties, to formulate a program of State and local government participation in the National Defense program, to gather and disseminate information in regard to such participation, to integrate State and local programs with the national program, to make adjustments necessary for the prompt assimilation and unification of such programs, and to coordinate properly governmental and private agencies in the defense effort. This bill will provide for participation in the work of the California State Council of Defense by members of the Legislature. And it will appropriate money to the State Planning Board and to the California State Council of Defense for these purposes.

I am sure that we all desire complete unity in matters of home and national defense; and I am sure that we will all agree that the legislative and the executive departments should cooperate and unite in the work of perfecting and carrying forward all defense plans and programs within our State. I recommend that the proposed act provide for a committee of the Legislature consisting of members of the Senate and Assembly who shall be authorized to meet and participate with the State Council of Defense and its executive committee, to advise and cooperate in the work of the council, and to recommend such legislation as may be found necessary to the accomplishment and success of the important work which it will be the duty of the State Council of Defense to conduct. I do not believe that any larger appropriation than \$50,000 is necessary at this time and I would recommend that amount.

I ask for and anticipate your cooperation, your prompt and favorable action in the matters here presented.

Since issuing the proclamation for this session I have been urged to include other matters related to national defense. One is a proposal to permit more intensive use of public school occupational training facilities to train artisans and mechanics. Another is a proposal to set up a sabotage and arson bureau within the State Fire Marshal's office.

It is now my understanding that your previous call to reconvene on the twenty-first can not be rescinded and that you will therefore meet then regardless of this present call. This being the case, I shall seek to discuss these proposals with your leaders. Should it appear to be your wish, and should they appear to be likely of passage, I shall be glad to issue a call to include these items.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

FIFTY-THIRD LEGISLATURE
FOURTH EXTRAORDINARY SESSION

CONVENED SEPTEMBER 21, 1940



MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, September 21, 1940

*To the Members of the Senate and Assembly of the California
Legislature, Sacramento, California*

GREETINGS: You have been called into this special session on this date for purposes disclosed in the proclamation therefor, a copy of which is attached hereto. Briefly, these purposes are:

- (1) Creation and support of a State Council of Defense.
- (2) Enabling local housing authorities to undertake projects to house defense industry workers.
- (3) Permitting certain schools to remain open on Saturdays, Sundays and holidays to permit their more intense use for training artisans and mechanics.
- (4) Permitting civil service leaves of absence to State employees entering the military service.
- (5) Permitting State employees in military service to maintain their State Retirement System benefits.
- (6) Permitting the creation of an Arson and Sabotage Bureau in the Division of Fire Safety.
- (7) Permitting the abolishment of the Communist Party.
- (8) Permitting the removal of certain restrictions upon the use and operation of the recently acquired Carquinez Bridge.
- (9) Appropriating funds for the reconstruction of school buildings destroyed by earthquake.

In early August, the Council of National Defense of the Government of the United States addressed a memorandum to the governors of the forty-eight States, requesting the creation of State Councils of Defense "to provide means for full utilization of the powers and administrative organizations of Federal, State and local governments and for adjusting and coordinating programs and procedures in order that closely integrated administrative machinery may function with the maximum speed and effectiveness," and to utilize the knowledge, skill and organizational facilities of private agencies in assisting the existing public administrative agencies in a coordinating national defense program.

It was recommended that these councils be advisory to the Governors of the forty-eight States, who as Commanders in Chief of the armed forces and Chief Executives of the civil establishments were considered to be the only State officials in a position to secure executive action throughout the entire administrative structures. The functions of such State Councils of Defense as outlined by the memorandum from the Federal Government are "to advise the Governor on problems arising with respect to the (1) integration of governmental programs for defense; (2) adjustments or arrangements necessary for prompt

assimilation of such programs by the administrative establishment; (3) proper coordination between the activities of government and private agencies cooperating in the defense effort."

Upon receipt of this memorandum I requested the organizing committee of an Advisory Council which I had appointed in June to recommend a proper defense organization for California, in accordance with a detailed plan suggested by the Federal Government in its memorandum, and to also recommend on a purely nonpartisan basis chairmen and vice chairmen for each of the six functional committees suggested by the memorandum, so that the organized membership of all of the important elements participating in a defense program would be represented. All of the prominent citizens recommended by this committee have accepted appointment and with the representative of the California League of Cities, the Chairman of the State Planning Board and myself constitute the working Executive Committee of the present California State Council of Defense. These gentlemen are:

Industrial Resources and Production Advisory Committee.

James Mussatti, General Manager, State Chamber of Commerce.

Human Resources and Skills Advisory Committee.

Gordon S. Watkins, Dean, University of California at Los Angeles.

C. J. Haggerty, President, State Federation of Labor.

Harry See, State Representative, Railroad Brotherhoods.

Housing, Works and Facilities Advisory Committee.

Baldwin M. Woods, Regional Director, National Resources Planning Board.

John Riffe, State Director, Steel Workers Organization Committee.

E. F. Scattergood, Los Angeles Department of Water and Power.

Health, Welfare and Consumer Interest Advisory Committee.

Archibald Young, President, California Council of Social Work.

Richard Neustadt, Regional Director, Social Security Administration.

Civil Protection Committee.

Earl Warren, Attorney General.

R. E. Mittelstaedt, Adjutant General.

Agricultural Resources and Production Advisory Committee.

C. M. Brown, Jr., Agriculturist.

Jesse W. Tapp, Vice President, Bank of America.

Samuel C. May, of the State Planning Board.

Richard Graves, Executive Secretary, League of California Cities.

This Executive Committee caused to be prepared and the members present at a meeting on September 13th unanimously approved and requested me to present to you a bill which would give legislative sanction to the existing organizations and provide necessary funds to perform the tasks already requested by the Army, Navy and other Federal agencies, including the National Council of Defense.

Because of the constitutional prohibition in California against participation in executive or administrative work by legislators, it was necessary to provide specifically that representation of both houses be

secured through a joint committee empowered to serve on the council to the extent not incompatible with their status as legislators.

A separate appropriation measure granting \$50,000 to the State Planning Board and the Council of Defense has also been proposed in order to secure means for implementing defense activities within the State, pending the effective date of the proposed legislation creating the State Council of Defense.

I feel confident that the members of this Legislature will give the most earnest consideration to the establishing and financing of efficient machinery necessary for cooperating with the Federal defense program, as suggested by the National Defense Council and recommended by the representative citizens who constitute the Executive Committees of the existing State Council of Defense.

The proposal to enable housing authorities to undertake low-cost housing projects in locations convenient for their use by workers engaged in war industry, bears the hearty approval of many citizens. It is pointed out that the need for such housing projects is secondary only to that of the industries themselves.

Present law prohibits the Saturday and Sunday use of the many high schools throughout the State having machine shops and other equipment for the training of sheet metal workers, pattern workers, molders, machinists, and other artisans and mechanics of whom there now develops such an acute shortage in the war industry. The present emergency suggests the removal of this restriction in order that a more intensive use might be made of these training facilities.

The two proposals affecting State employees in the military service are requested by Adjutant General R. E. Mittelstaedt. They surely need no justification. Their merit is patent.

The proposal regarding anti-American or treasonable political parties is self-explanatory.

The request for an Arson and Sabotage Bureau in the Division of Fire Safety is supported in and throughout every quarter of California's industry; especially those whose products make them the target of the enemies of our government and our government's defense efforts. No additional funds are requested in this connection.

The Toll Bridge Authority Amendments are correctives found desirable since the purchase of the Carquinez and Antioch Bridges. Present law prohibits the use of a Toll Bridge Authority Bridge by pedestrians, and also requires the Toll Bridge Authority to maintain 24-hour tow-car service on its bridges. Both of these provisions are quite proper in their application to the San Francisco-Oakland Bay Bridge because of its location, its long approaches, and its great length. But the Carquinez Bridge is much used by pedestrians, most of whom live and work in the vicinity of the bridge. Since there appears to be no sound reason for prohibiting such pedestrian use of the Carquinez Bridge, the amendment here contemplated has been suggested.

Since the Carquinez Bridge is relatively short (4,482 feet including its approaches), and since privately conducted tow-car services are maintained and available nearby, and since the need for such service seems very little, it is thought that the cost to the State of maintaining such a service would be an unnecessary and unwarranted expense; all of which suggests the amendment here contemplated.

The proposal to appropriate for the reconstruction of earthquake damage to schools is included in the request of Doctor Walter F. Dexter, Superintendent of Public Instruction and Director of Education, who urges it as an emergency measure.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, September 21, 1940

*To the Members of the Senate and Assembly of the California
Legislature, Sacramento, California*

GREETINGS: Item No. 10 was included in the call on this date for the fourth extraordinary session of the California State Legislature for the following reasons:

At the second extraordinary session of the Legislature held in May, 1940, the Legislature passed an emergency measure appropriation of \$500,000 to assist in the repair of flood damages. It was designed to assist communities in recovering from the disastrous floods of the winter of 1940. I considered this a meritorious purpose and signed this bill and it became Chapter I of the Statutes of 1940, Second Session.

It later developed that Chapter I contained provisions which made it extremely difficult of operation and, to many deserving communities, of no assistance whatever. Legal opinions interpreting this law have been obtained from the Attorney General, but the legal obstacles have been so great that it has not been possible to allot any of the funds appropriated by Chapter I.

The purpose of including this item in the call of the fourth extraordinary session is to allow the amendment of Chapter I to permit its operation as contemplated when it was enacted.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

FIFTY-THIRD LEGISLATURE
FIFTH EXTRAORDINARY SESSION

CONVENED DECEMBER 2, 1940

MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, December 2, 1940

*To the Honorable Members of the Senate and Assembly
of the State of California*

GREETINGS: It is proper upon the convening of this extraordinary session of the Legislature that I should briefly explain to you the subjects which I have placed before you for consideration and the reasons for their inclusion in the proclamation calling the session. Before doing so, I may state that the contents of the message which I sent to you this morning when you were sitting in your fourth extraordinary session, which message was concerned with the necessity of taking action on various subjects prior to the next regular session, are applicable to the subjects of this new session.

The first item concerns clarification of the experience rating provisions of the Unemployment Insurance Act. "Experience Rating" is that provision of the act which, on the basis of favorable employment experience, grants a lower contribution rate to those employers whose experience indicates that a lower rate will be more nearly commensurate with benefit payments to their employees. This provision has been in our law in substantially its present form since the law's inception in 1935, and similar provisions will be found in the laws of many other States.

Under our present law the California Employment Commission is required, as of January 1, 1941, to classify employers with regard to their experience and to levy tax assessments at a rate lower than the general rate of 2.7 per cent if any employer has the required reserve in his bookkeeping account with the Commission. The amendments will also assure employers of receiving the additional tax credit offset allowed under applicable sections of the Federal International Revenue Code.

Proper amendment at this time will cure apparent defects and clarify the law so as to provide the Commission with the necessary machinery and with definite legislative instructions as to how the existing experience rating provisions are to be administered on January 1, 1941.

In considering this matter it should be understood that experience rating in unemployment insurance systems is in an experimental stage. There are many who contend that it has no place in the law. I, personally, and the Commission as well, have some doubts as to the soundness of the entire "experience rating" principle. After having had an opportunity to observe actual experience in the administration of the provision, a recommendation may well be made in the future that these provisions be eliminated entirely. However, at the present time it seems essential that these amendments should be adopted in order that the Commission may proceed with the proper administration of the present law in accordance with its expressed legislative intent.

Several months ago it became necessary to make arrangements for the purchase of additional land near the San Luis Obispo Campsite of the National Guard to provide for the leasing to the Federal Government of the necessary area on which the Federal Government was to construct \$5,000,000 of barracks, storehouses and other facilities in connection with the training of the Guard. The improvements on the land will belong to the State when the present emergency is ended. At that time it was thought that it would be necessary to call a special session in order to get the necessary funds. But conferences with a number of the members of the Legislature ended in a plan whereby part of the necessary funds were provided from the Emergency Fund with the understanding that legislation should be passed at the next special session to provide funds necessary to complete the purchase and to reimburse the emergency fund. A \$50,000 appropriation from the General Fund is needed to complete the purchase, and the sum of \$190,000 is needed to reimburse the Emergency Fund, which sum may be obtained by transferring \$110,000 of unneeded moneys from the support appropriations for the National Guard and appropriating \$80,000 from the General Fund. Thus a total new appropriation of only \$130,000 is needed.

Item No. 3 in the proclamation concerns legislation to enable the State to establish a State Guard, as authorized by Federal Law, in addition to the National Guard. The explanation of such legislation and the necessity therefor is contained in the attached copy of a letter from The Adjutant General.

Item No. 4 will permit the enactment of legislation to allow the City of San Francisco to lease portions of Treasure Island to the Federal Government or to the State for defense purposes. Representatives of the City of San Francisco have requested this legislation as the Navy Department has already requested the use of part of the island.

Item No. 5 was included in response to the request of a large number of members of the Legislature. I understand that one of the large life insurance companies has under consideration plans to invest some ten million dollars in a much needed moderate cost housing project, but that the insurance laws do not permit the investment of funds of insurance companies in real estate, except for their necessary office buildings. The reasons urged for this legislation are the defense housing needs and the unemployment in the building trades and allied industries. It would seem that an amendment of the law to permit an investment in a large moderate cost housing project would be proper because of such conditions, provided adequate standards and supervision be set up for the making of such investment. Such legislation should provide that the insurance companies investing in such projects must waive the right to set off against the amounts due from them for gross premium taxes, the amounts of the real estate taxes on such projects.

The next item, concerning a wind tunnel, simply will permit proposed legislation to allow the maintenance of a wind tunnel on the Campus of San Diego State College for the study of problems relating to aircraft. I understand that Federal or private funds will completely provide for the erection and maintenance of the proposed wind

tunnel, and that this will furnish testing equipment essential in the National Defense program, and which will also be valuable as equipment used in the educational program of the college.

The seventh item is necessary for legislation to permit the counties of Solano or Contra Costa or the cities of Benicia or Martinez, or either of them, to operate the Martinez-Benicia ferry. A committee of representatives of various communities interested in the ferry, which committee included several members of the Legislature, requested that this item be included. Immediate action is necessary in order to come within certain time limitations involved in the transfer of the Antioch and Carquinez bridges.

The eighth item will authorize legislation necessary in order that the county of Kern may complete a transfer of certain of its real property to the Federal Government to be used as the site of a post office, in exchange for the present postoffice building, which will be used by the county for a public library.

Item No. 9 is placed before you to authorize legislation which will permit a conveyance to be made to the Federal Government by the city of Santa Barbara of a small plot of ground for use as a naval armory. The land is the result of accretions on tidelands granted by the State to the city of Santa Barbara for specified purposes, and in order to insure the validity of a grant from the city of Santa Barbara further legislation is necessary.

The last item is required to enable the State to exchange a small parcel of land belonging to the State and under the jurisdiction of the National Guard, for another parcel of land necessary for a right-of-way for the construction of a railroad spur track from the right-of-way of the S. P. R. R. for transporting building and military supplies to the National Guard Training Camp at San Luis Obispo.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

THE ADJUTANT GENERAL

STATE OF CALIFORNIA, DIVISION OF MILITARY AFFAIRS

SACRAMENTO, November 30, 1940

*Hon. Culbert L. Olson, Governor of California
State Capitol, Sacramento, California*

MY DEAR GOVERNOR OLSON: It is requested that immediate consideration be given to amending the Military and Veterans Code of the State of California to enable the organization of units to be known as the State Guard. This is an urgent matter and is required by reason of the following facts:

a. The entire National Guard of the State of California will have been inducted into Federal service within a short time, whereafter it will not be available for local emergencies.

b. The National Defense Act prohibits the organization of units by states other than the Federally recognized National Guard in time of

peace. However, Congress has recently passed a law which authorizes the organization of a State Guard during such time as the National Guard of any state is in active Federal service in time of peace.

c. The execution of this law in any state is contingent upon passage by the state of necessary legislation where the State Military Code is not sufficient.

d. The Military Code of California is insufficient in that it does not provide for any organization other than the Federally recognized National Guard.

In view of the foregoing, it is necessary to make certain amendments to the Military Code. Several proposed revisions accomplishing this have already been forwarded to you.

Very truly yours,

R. E. MITTELSTAEDT
Brigadier General, The Adjutant General

FIFTY-FOURTH LEGISLATURE

REGULAR SESSION

CONVENED JANUARY 6, 1941

FIRST BIENNIAL MESSAGE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, January 6, 1941

To the Senate and Assembly of the State of California

Section 10 of Article V of our State Constitution, which has been a part of our Constitution since 1849, provided that the Governor, "shall communicate by message to the Legislature, at every session, the condition of the State, and recommend such matters as he shall deem expedient." It is in the performance of that duty that I appear before you at this opening session of the Fifty-fourth California Legislature; also to extend my greetings and best wishes for the success of your legislative labors and for your personal well being; also to express my sincere desire that we shall engage in the performance of our respective duties in a spirit of cooperation with constructive purpose and mutual respect for the dignity of our offices.

We enter upon this year of 1941 with improved conditions in State finances, due to the increased activity of certain California industries, in which vast expenditures are being made by the Federal Government in carrying forward a program of National defense. This has increased the State's revenues under our existing revenue laws to the point of balancing our current month to month expenditures, and they may gradually reduce the accumulated deficit which a year ago, before the Nation entered upon a program of expenditures for National defense, was consistently rising to alarming proportions.

In my budget message two years ago it was shown that existing revenue laws were insufficient to meet the fixed charges and budgetary requirements for governmental services provided for by law, even with the most stringent curtailment of those services and the greatest possible economies that could be accomplished in their administration. And, as required by the Constitution I then recommended new measures to produce sufficient revenue to balance the budget for the ensuing biennium and to reduce the deficit that had accumulated during previous administrations. The present World War and the prospect that the United States would now be engaged in carrying forward a National defense program involving expenditures of many billions of dollars, with resultant stimulation of industrial and commercial activities, reemployment and great reduction in the State unemployment relief load, was then unforeseen. Had the revenue measures then recommended been adopted, it now appears that by the end of the present biennium the entire State deficit would have been wiped out and we could be looking forward to a reduction in tax revenues lightening the tax burden on those least able to pay.

* * *

Later on in your session this month, in obedience to my constitutional duty, I shall submit to you a proposed budget to meet the fixed charges and expenditures required by the Constitution and present laws during the next biennium. Looking forward to a continuance if not

an increase in State revenues under existing laws sufficient to meet the expenditures under that budget and to also reduce the remaining State deficit during the next biennium. I am pleased to say at this time that I will not be compelled in my budget message to recommend enactment of any additional revenue measures at this regular session.

* * *

With regard to the condition and accomplishments of the administrative departments which are under the direction of the Governor, I submit to you the following report, leaving it to other elected officials to submit to you reports on the condition of their departments.

STATE DEPARTMENT OF FINANCE

The Department of Finance has exercised during this biennial period rigid control over all expenditures, resulting in substantial savings to the State Government. Every means available to the department has been utilized in accomplishing this result.

Judicious scrutiny has been made of all requests for the purchase of materials, supplies, and equipment, the filling of vacant positions, and the creation of new positions. Through the exercise of rigid budgetary control, all excessive and unjustified expenditure requests of the several State agencies have been disallowed and the savings thus effected, together with those accomplished through the other activities of the Department of Finance, have been set aside in reserves. These reserves will revert to the State Treasury, except to the extent that they have been utilized to make salary adjustments and to meet unforeseen contingencies not provided for in the original appropriation.

In order to encourage the widest possible competition on the State's purchasing, agencies have been required to draw specifications which will not discriminate against any firm or its products. Specifications are so prepared as to permit the fullest possible competition among business firms in the State. This serves to accomplish two purposes: (a) Extend to every business equal opportunity to bid; (b) Safeguard the interests of the State by obtaining quality products at the lowest cost. The result of such requirements has been a saving of thousands of dollars to the State.

Citing one instance of the result of competitive bidding: The 1941 contract for oil and gas netted the State a saving of \$158,365, the lowest price ever received by the State for its oil and gas requirements. The following accomplishments by the Department of Finance are worthy of mention:

1. Reduction in the premium of surety bonds, from a high of \$7.50 per thousand to a high of \$2.50 per thousand, will result in a saving of approximately \$50,000 per biennium.

2. Fewer passenger automobiles purchased, together with the policy of buying less expensive types.

3. Closing of the Napa State Farm, which during the 20 years of its operation resulted in losses of approximately \$275,000 to the State.

4. Daily report required as to use, mileage, and purpose of trips of each State automobile. This has eliminated the use of State cars for personal purposes.

5. The establishment of a policy that all State passenger vehicles must be operated for at least 65,000 miles instead of 50,000 miles before these vehicles are turned in on the purchase of new cars.

6. The more effective coordination achieved by the Department of Finance in the purchasing of securities for various State funds has prevented the numerous State agencies from bidding against each other, and thus makes it possible for the State to obtain high yield bonds at the lowest possible price.

7. All leasing of office and other rental space has been placed under the supervision of a Chief of the Division of Service and Supply, in order that the State may obtain adequate quarters at lowest rental prices.

* * *

The past two years have been quite the most active and successful in the history of the State Planning Board.

As a result of the board's studies of tax-delinquent lands, Assembly Bill No. 47, the Lands Classification Bill, has been adopted and will become effective early this year. The importance of the problem here dealt with is indicated by the fact that some three and one-half million acres of rural lands and three hundred fifty thousand subdivision lots have been deeded to the State for nonpayment of taxes.

Accurate maps are a necessity to practically all governmental agencies. California is today less than half covered by basic surveys, although more than \$10,000,000 have been spent for them by public agencies. As a result of studies, the Planning Board has developed a plan for State and Federal cooperation in providing complete state-wide coverage within a reasonable period of time. This plan will give California the most comprehensive and best coordinated mapping program in the country and will assure a maximum return for every dollar spent.

As a result of studies by the Planning Board, California now has its first long term plan for the location of future State office buildings in Sacramento.

The board has cooperated with the National Resources Planning Board in studies of governmental and voluntary regulations of the oil and gas industries in California. This was done in preparation of a nationwide study of energy resources.

In cooperation with the State Council of Defense and at the request of the Army, the board conducted an intensive survey of tracts of land appropriate for use for Army training camps. For this, the board has received praise and thanks from Army officials.

The board has issued the first survey of the activities of the various local and regional planning boards of California. As a result, for the first time, each of the thirty-three county planning commissions and the one hundred thirty city planning commissions, now knows what all of the commissions are doing.

The board expects to continue its studies of tax-deeded lands.

Other studies now well advanced are:

"An airport and airway plan for California" being prepared in cooperation with the Civil Aeronautics Authority, a study of "Recreation in California," with the assistance of the National Park Service, and a "Local Planning Manual" designed to guide the work of plan-

ning commissions in small cities. Unless emergencies interfere, all of these reports should be completed this year.

The facilities of the State Planning Board are available to investigate problems and make reports which will contribute to an improved administration of State affairs. It is a tool to be used in fact-finding, research and broad planning. It should be given greater support and larger responsibilities.

DEPARTMENT OF PUBLIC WORKS

In the eighteen months ending last June 30, the Division of Highways expended some \$55,000,000. This included \$29,000,000 for construction including rights of way, betterments, minor improvements and engineering, \$13,000,000 for maintenance and \$12,000,000 for allocations of work within incorporated cities.

Thirty-three major works have been completed in this eighteen month period or are now in course of construction. These include:

The west's first freeway, the Arroyo Seco Parkway, between Los Angeles and Pasadena.

The further extension of this freeway on North Figueroa Street in Los Angeles.

The Cahuenga Pass freeway from Hollywood to San Fernando Valley and points north.

The Olympic Boulevard freeway, from the center of Los Angeles to Santa Monica.

More adequate approaches to the Golden Gate Bridge.

New sections of four-lined divided highways on the main San Joaquin Valley route.

The Los Gatos Canyon road from Santa Cruz to Los Gatos.

The relocation of the Pacific Highway north of Redding due to the construction of Shasta Dam.

Shortening and straightening the road between Sacramento and San Francisco.

Several grade separation projects.

Numerous other projects throughout the State from Del Norte County in the north to Imperial County in the south.

New state-wide traffic surveys and studies have been undertaken with the hope of eliminating highway traffic congestion, particularly in metropolitan areas. The Highway Commission has pledged itself to convert the Bay Shore Highway from Palo Alto to San Francisco into a "freeway."

* * *

The California Toll Bridge Authority has rendered signal public service during the past two years.

In May, 1939, the Authority refinanced the bonded indebtedness against the San Francisco-Oakland Bay Bridge, thereby securing a reduction of interest from 4½ per cent to 4 per cent. In the bargain, the new issue was sold at a premium netting the Bridge a profit of \$1,065,000.

The Authority has since by four successive steps, reduced passenger car tolls from 50¢ to 25¢. Corresponding reductions have been made in tolls charged trucks, busses and commuters.

In September, 1940, the Authority completed purchase of the Carquinez and Antioch Toll Bridges from the American Toll Bridge Corporation and immediately reduced passenger car tolls by nearly 50 per cent. This was done without delaying the date when the bridges would otherwise have become public property and toll free. In the meantime, the public will be saved upward of \$4,000,000 in toll charges. This purchase was made by the issuance of revenue bonds purchased at an interest rate of only about $1\frac{3}{4}$ per cent per annum.

Under the function of construction, repair and improvement for the various State departments, the Division of Architecture has, during the past two years, accomplished architectural and engineering work to the value of over \$10,000,000.

In addition, the division constantly renders assistance of an advisory nature to the various departments.

Plans have been checked and approved for safety of design and construction for more than 760 school construction projects having an estimated construction cost in excess of \$35,000,000.

As a result of consultations with the Department of Institutions, the division has succeeded in standardizing all plans, fixtures and equipment for future housing facilities for the department. By this means the cost of such institutional housing has been reduced so that it now costs no more, and in many cases costs less, than modern housing built under mass construction methods. Further savings are anticipated.

The Division of Architecture has completely rearranged the plans for Chino Prison, making them conform with the original purposes of the Legislature in providing for its establishment, namely, that of a detention and rehabilitation home rather than a "maximum security" prison; also greatly increasing its capacity without increasing its cost.

* * *

In the Division of Water Resources an extraordinary number of surveys, investigations and studies have been made of the many problems raised by the construction of Shasta Dam and the Central Valley Project. These relate both to the disposal of water conserved by the project and also to the electric power to be generated at Shasta Dam.

An investigation was made and report rendered on the feasibility and cost of obtaining supplemental water supplies for the State institutions and cities in Napa Valley.

Following last year's floods in northern California, the division rendered a report covering the nature and extent of the floods, the damages resulting therefrom, and a program of rehabilitation and permanent remedial flood control measures.

The Department of Public Works has at all times sought to protect the market for Shasta Dam power and has appeared before the Railroad Commission to oppose the various efforts on the part of public utilities corporations that might interfere with that market. Conferences were held in recent months with representatives of the Department of Interior, United States Bureau of Reclamation, and the California Water Project Authority. Out of these conferences have come

the first determinations of the cost of Shasta power to such public agencies as may wish to buy it wholesale.

* * *

I believe that it is very generally recognized that the Golden Gate International Exposition was a great success; that all Californians should draw great satisfaction from it; and that the State Government's participation therein, through the California Commission, was well conceived, well planned, and most capably managed.

Most of the State's exhibits have been salvaged for continued use. Several of the exhibits have been or will be reconstructed at the State Fair or elsewhere.

The commission has returned to the General Fund in excess of \$250,000 in cash unexpended by it in the administration of the State's appropriation for the purposes of the exposition.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture now has forty-five marketing programs in effect. These include twenty-one milk distributing programs, under five of which there is an excess supply distributed to relief clients at reduced prices. Milk wars have been eliminated.

The marketing programs as respects various crops, have benefited both the farmers and the consumers. In addition, when farmers are well organized to sell their crops under the various marketing acts, they find that they can qualify readily for Federal crop marketing loans which assist orderly marketing and increase the margin of profit remaining for the farmer.

The Department of Agriculture has been especially successful in removing large, market-depressing surpluses of many of California's important agricultural crops, by promoting their purchase by the Federal Surplus Commodity Corporation, for distribution in California and elsewhere to relief clients. This has meant not only a large direct augmentation of farmer income in California, but it has produced a much greater income because it served to stabilize and improve prices for the remaining major portions of their crops.

California now has one of the best meat inspection systems in the country. The City of Los Angeles asked the department to take over their meat inspection service. This was done as of November 1st. State meat inspection service is now rendered in forty of the fifty-eight counties, insuring consumers a wholesome meat supply.

The bovine tuberculosis problem is at last about cleaned up in California and we hope for Federal certification thereto early in 1941.

After years of effort, artichoke thistle infestation has been reduced from some 18,000 acres, mostly in Solano County, to less than 200. These lands have been restored to normal production purposes.

The department, working with the University of California, is publishing a new weed-control manual for farmers. It will be of great value.

Plant quarantines have been reexamined and corrections made to facilitate movement of restricted commodities.

An outstanding achievement of the department has been the development of methyl bromide as a fumigant. It is already of enormous

value to the agriculture industry of the State. It has reduced the cost of fumigation in warehouses, being more effective than older methods. Its use in treating California pears and potatoes has broadened the market for these commodities in other States because it kills the codling moth in pears and tuber moth in potatoes. Its use as a fumigant against insect pests infesting nursery stock has been quite successful, enabling the movement and wider circulation and use thereof.

Four cattlemen, selected by their industry, have reviewed the department's administration of the hide and brand laws. They have found State enforcement to be efficient.

DEPARTMENT OF INDUSTRIAL RELATIONS

In this department, notable improvements have been made in carrying out the provisions of the Labor Code for the protection of the workers, some of which for many years had become practically dead letters for laxity of enforcement.

Responsive to the need for more prompt compensation of workers' compensation claims, the Industrial Accident Commission now meets every day except Saturdays, Sundays and holidays, and has accomplished many procedural improvements to expedite the handling of compensation cases, so that the beneficiaries of the Workmen's Compensation Act receive the benefits of that act when they are most needed. Experience in its administration shows the need for amendments of procedural provisions of the act so as to further facilitate the prompt application of its benefits. The policies of the commission have been liberalized and its liberal interpretations of the Workmen's Compensation Laws are being sustained by court decisions. As an instance of the commission's liberalization policies, hernia cases which theretofore had been allowed medical treatment only during the first ten weeks are now treated as any other industrial injury and full benefits awarded; injured employees who must leave their home town for examination or special treatment are allowed reasonable expenses for board and lodging. Heretofore injured workmen were allowed only 50 per cent disability compensation if able to perform light work even though such work was unobtainable. Under present policies they are allowed full disability compensation unless such light work is available.

Elimination of the element of surprise at commission hearings and the saving of time of the commission and referees in reaching their decisions has been aided by making all records, such as X-rays, of injuries, available to both sides of any contest before the case comes for hearing.

This department has diligently sought to reduce the number of accidents and personal injuries in California's industries through the enforcement of safety laws and regulations and the thorough inspections needed particularly at this time, although insufficiently budgeted for this service. The benefit of the Workmen's Compensation Law and the safety measures in accident and personal injury prevention is shown in the fact that in 1914, when California's population was less than 3,000,000, there were 691 accidental fatalities. In 1939, when the

population was nearly 7,000,000, industrial fatalities were reduced to 461 in number.

* * *

More determined enforcement of the Workmen's Compensation Act has compelled many employers who have heretofore failed to comply with the act to carry insurance for the first time, and more than 200,000 workers not heretofore covered, have been brought under the protection of Workmen's Compensation Insurance. More than 217,000 employers are now insured. If all workmen's compensation was exclusively written by the State Compensation Insurance Fund, great savings in administrative costs could be made, the burden of workmen's compensation on the State's industries could be lessened, and the benefits of the act increased.

The State Compensation Fund is solvent and strong. It has experienced its greatest growth during 1939 and 1940. In this period new business amounted to over \$2,000,000 in premiums and accounted for more than 18,000 new policies. The fund insures more than 40,000 employers whose employees number more than 600,000.

* * *

In the Division of Labor Statistics and Law Enforcement, notwithstanding serious understaffing due to insufficient appropriations, marked progress has been made in the enforcement of labor laws and improving general administration. The division is handling a constantly growing and now very heavy load of labor complaints, both wage and nonwage. Laws for the protection of women and minors in industry are being fully enforced. To assist enforcement of child labor laws, a comprehensive digest of such laws has been prepared and distributed widely through school authorities, employers and others.

* * *

The Division of Industrial Welfare is charged with the welfare of women and minors in industry. Prior to 1939, due to lax interpretation of Industrial Welfare Commission orders, compliance with the minimum wage law was indifferent and "spotty." Since then, as a result of a series of law suits to enforce and a program of strict enforcement, this law is being observed to the letter throughout the State. Since February, 1939, the division has instituted 23 such suits, and won 22 of them. As a result, nearly \$500,000 have been added to the earnings of women and minors.

* * *

The Division of Immigration and Housing is handling a much heavier load of immigrant aid work and rendering a much improved service.

The division assisted the Housing Authorities of Los Angeles, San Francisco, and Oakland by checking their housing plans for conformity with the State Housing Act. During 1940, some 150 plans for hotels and apartments were similarly checked. This work is increasingly important and necessary because of the unusual increase in housing construction adjacent to the Army training camps and elsewhere outside incorporated cities.

Following the Imperial Valley earthquakes, the division inspected practically all of the hotels, rooming and apartment houses in that

district. As a result of the reports thereon, many of them were demolished because they were considered to be damaged beyond repair.

The division has conducted several clean-up drives on shack-housing in cities, in cooperation with local authorities, with excellent results. An outstanding example of this work is in the City of Stockton where a number of the older rooming houses have been vacated or demolished on the division's recommendations.

* * *

The law creating the California Apprenticeship Council was adopted in 1939 and has been in operation only since September, 1939. But it is already apparent that the council has carried its program to practically all of the industrial centers of the State and that the program has met with pronounced success.

* * *

The past two years have been much the most active in the history of the Division of Fire Safety. Special attention has been given to correcting hazardous conditions disclosed by inspections of State institutions charged with the care and custody of some 28,000 persons, including insane, feeble-minded, narcotic addicts and juvenile delinquents. For the first time in the history of the division, exhaustive fire surveys have been made at six State Hospitals, at the Preston School and the Sonoma State Home. Recommendations have been made for corrective measures including new legislation.

Dangerous hazards discovered and revealed by the division have resulted in a new building program at the Yountville Home and the razing of two tinder-dry barracks declared unfit and unsafe for use.

Inspection revealed the existence of alarming fire hazards in the State Building at Los Angeles. These are being corrected.

Inspection at Folsom has resulted in the correction of serious hazards, improvement of equipment and increase of fire department personnel.

A fire survey of the University of California is now under way; the first in its history. Already some surprising and deplorable conditions have been disclosed. And recommendations have been made condemning certain old buildings and calling for increased water supply, more fire alarm boxes, and elimination of unsafe practices.

The Division of Fire Safety is self-supporting, out of fees collected paid by the cleaning industry in which, incidentally, a high level of fire safety is maintained.

The State Fire Marshal's salary should be paid by the State rather than by private interests. The 28,000 wards of the State, in the various hospitals and institutions should be given adequate, organized protection from fire. The State, moreover, has invested some \$30,000,000 in the buildings housing them.

DEPARTMENT OF NATURAL RESOURCES

This department has initiated new and much needed programs for the conservation, development and utilization of our natural resources.

In the past the several divisions of this department operated independently of each other, and of the department. The various policy-making boards and commissions had never met together. Joint conferences of these commissions have been instituted, resulting in their closer

cooperation, and in the coordination of their programs. Plans for the multiple use of the areas controlled and protected by the department are being worked out with the expectation that they will result in greater returns to the State.

* * *

Intervention by the Department has been highly instrumental in preventing great wastage of natural gas in the Montebello oil fields. By securing the cooperation of the interests involved, the owners of wells in this field have been able to make arrangements to distribute large quantities of gas into consumptive channels and to store still larger quantities underground. Otherwise, this gas would have been blown into the air and lost completely.

* * *

The State Park Commission now has a program for the orderly development of the State parks. Heretofore there has been no program. Park areas are now being developed and opened to the public. Obsolete accommodations are being rebuilt and modernized. New swimming pools and camp sites are being provided. Public use of State parks has increased 45 per cent and revenues therefrom 60 per cent. In 1939 13,000,000 people and in 1940 over 20,000,000 people visited our State parks.

* * *

The State Mining Board heretofore but little active, has been reorganized and reenergized. The board is making a special effort to stimulate the search for minerals and ores essential to the National defense.

* * *

The Fish and Game Commission has improved relations with the Sportsmen's organizations and with the industries dependent upon our fisheries. Its development and conservation program is meeting wide public approval.

* * *

For the first time in the history of the State, the Board of Forestry has a state-wide policy and program for the control and prevention of forest fires. The Forestry Board has also initiated a program for the reforestation of devastated forest areas, and is working in close cooperation with Federal agencies for reforestation and for flood and soil erosion control and for the development of farm forestry in California.

DEPARTMENT OF PUBLIC HEALTH

California has the right to be very proud of the service rendered by its Department of Public Health. In the past two years, new low records have been established in the incidence of typhoid fever, diphtheria and smallpox, infant mortality and maternal deaths. The tuberculosis death rate is now the lowest in the history of the State.

Special researches are being conducted into the nature, cause and cure of sleeping-sickness, influenza, trichinosis and occupational diseases. County public health services have been further extended; so also public health nursing services.

Five motor clinics are now bringing dental service to pregnant women and to children living in rural areas. The crippled children's service has been extended. Mobile clinics render medical and public health service to thousands of migrants, both residents and new arrivals.

Last year more than 47,000 immunizations were given to migratory agricultural workers against smallpox, typhoid and diphtheria.

Steady advance is reported in the work of controlling and stamping out syphilis and gonorrhea.

The new laws requiring premarital examination and prenatal blood tests for syphilis have already proved their worth in the discovery of hundreds of unsuspected infections in young people, and expectant mothers. With the continuation of these laws and expansion of the venereal disease control program, we believe that syphilis in new-born babies will soon be eradicated and that the incidence of acquired syphilis and gonorrhea will be greatly reduced.

Recommendations for the improvement of health conditions in San Quentin Prison were made in a survey conducted by the State Department of Public Health in 1939, at the request of the Department of Penology. Complete studies were made of the method of purchasing, preparing and serving food, of the water supply and sewage disposal systems, and of general sanitary conditions. As a result of the survey, a chief steward was employed and the quality of food improved. Other recommendations are being put into effect.

DEPARTMENT OF INVESTMENTS

Some State banks are not large enough to afford independent audits. Therefore, the examining work of the State Banking Department has been expanded to include more minute inspection of banking operations. This has had a generally salutary effect and increased the safety factor protecting depositors.

Two years ago there were 25 banks in liquidation, having assets estimated at \$3,420,000 as against liabilities of \$6,327,000. Fifteen of these have been closed out. The remaining ten have assets estimated at \$1,182,000 as against liabilities of \$3,690,000. Economical liquidation administration has, in some instances, enabled partial return of assessments paid by stockholders as well as 100 per cent return to the depositors.

Some banks are not the most favorably located for purposes of making sound commercial loans in sufficient volume. This has encouraged bond investment as an alternative. Therefore precautionary steps have been taken, for protection of depositors, to supervise their bond buying and selling operations.

Steps have been taken to encourage banks to divest themselves of real estate taken on foreclosure, so as to forestall embarrassment by too great capital tied up in this form of investment.

* * *

Two years ago the Division of Building and Loan had 21 association in liquidation, all of which had been taken over in the period from 1930 to 1935. Since then, six of these associations have been closed out, four more will be closed out early this year and three more before the end of this year. These closures have had a beneficial effect upon the building and loan association business generally.

Two years ago the division was administering assets in liquidation totaling \$9,000,000. They now total \$10,500,000; an increase due principally to taking over the Mutual of Long Beach.

Two years ago the division was administering 411 parcels of real estate, plus two subdivisions, totaling 1,134 lots. Now there are 493 parcels, plus two subdivisions, containing 980 lots. All of this is exclusive of the Pacific States Savings and Loan Company.

In spite of this heavy increase in business transacted and assets under liquidation, the several offices of the division have been consolidated in two offices, one in Los Angeles, the other in San Francisco; the number of employees has been reduced by about one-third, the payroll has been reduced by about 50 per cent, and overhead expenses have been reduced.

The Pacific States Savings and Loan Company was taken over in March, 1939. The association was insolvent in excess of \$10,000,000. It had ceased to function as a building and loan association. For several years it had deliberately carried on policies contrary to the requirements of the Building and Loan Association Act. The greater part of its total assets had become frozen in various kinds of real property holdings and its management was engaged in purchasing at heavy discounts and losses to their owners its certificates of deposit by various and devious methods, taking advantage of their needs for their money. In the performance of his duty under the law the commissioner was compelled to take over the assets of this association for the protection of the certificate holders to whom they belong and for whose benefit they must be liquidated and distributed. Yet the take-over has been contested, and is still being contested in court by the former management. Meantime, the affairs of the company have been operated by the Building and Loan Commissioner at considerably less cost for attorney fees than the former management had been paying, at considerably less cost for administration, and with much greater profit to the company than under the former management. Two dividends totaling 12½ per cent have been paid to the investors out of accumulated profits and collections of interest and principal on loans.

Contrary to predictions, the taking over of Pacific States and the Mutual of Long Beach have had no harmful effect upon the active associations remaining in the business. In fact, the aggregate assets of the latter associations have registered substantial increases. There are now 103 of these associations doing business under State license. They are generally in a very good condition; in better condition than at any time during the past ten years. Loan delinquencies are at a minimum. Foreclosures have practically ceased. The associations have no difficulty in obtaining new funds. Their most difficult problem is that of finding satisfactory loans in sufficient number. In the past two years, these associations have increased and combined reserves from 14 per cent to 17 per cent of their liabilities; thus increasing the margin of safety afforded their investors. This compares most favorably with the Federal Savings and Loan Associations operating in California on a reserve of only about 4 per cent.

During the past two years, at least three associations have been saved from very serious difficulties and possible liquidation by the guidance of the division. In each instance, additional capital was brought into the business, the management was changed to some degree and the business well started on the road to success.

The investing public may now confidently rely upon the office of the Building and Loan Commissioner to do its proper duty and the building and loan associations operating under the supervision of this division may justly take pride in the possession of their license certificates entitling them to engage in the building and loan association business.

DIVISION OF CORPORATIONS

The work of the Division of Corporations during the past two years has shown material improvement, characterized by a decidedly larger volume of work accomplished with greater economy. New legislation added heavily to the division's duties and work. Nevertheless, it was accomplished without adding to the staff and without exceeding the budget which, when adopted, did not contemplate a drastic expansion of activities.

During the past two years, special attention has been given to fraud prevention.

Because of the sharp decline of the number and volume of security offerings, the income of the division from licenses and other sources has suffered seriously. Thus far, however, due to the assistance of the Department of Finance by way of instituting modernized office methods and other economies, the division has nevertheless been able to keep within its budget.

The new California Small Loan Act and the Personal Property Broker's Act have now been in force long enough to prove their worth to the community. One proof lies in the fact that hordes of "loan sharks" retired from this field of business just prior to these laws becoming effective. The unsuccessful attempt to defeat the California Small Loan Law by referendum had a salutary effect upon several of the nation-wide "loan shark" chains, most of which closed their offices when it became apparent that the law was to go into effect. However, there is evidence that these lenders are still looking at California with covetous eyes. There is indication that they plan a campaign at this session of the Legislature. Few people realize the nature and extent of social problems consequent upon the unhampered operations of "loan sharks" or the general damaging effect upon the entire economic and social structure of the community.

Credit Unions, licensed by the State, have displayed a remarkable growth during the last two years due, at least in part, to the new law liberalizing the rules governing their operation. In general, these Credit Unions, some of which are very small, have been very successful and have operated with benefit to their members and borrowers alike.

There have been no "bucket shops" operating in California during the past two years.

The new Stockholders' Protective Committee Act has likewise proved its worth. Under it, racketeering promoters have been denied licenses while legitimate protective committees have found it easy to comply with the statute and have enjoyed protection against the competition of racketeering committees.

* * *

The Division of Real Estate reports a most substantial revival of the real estate business; especially as reflected in the large increase in

the number of men and women licensed to practice as brokers and salesmen.

Added precautionary measures have been adopted to protect unwary investors against sharp practices in the sale of oil and gas leases, cemetery lots and business opportunities.

DIVISION OF INSURANCE

Broader powers to protect the public granted in 1939 to the Division of Insurance have been applied with salutary and beneficial effects already apparent. For the first time in our history the division now has competent investigators and auditors in sufficient number to supervise the conduct of agents, brokers, solicitors, as well as the insuring companies themselves.

Labor-saving equipment and procedures have been installed with most satisfying results in efficiency and economy.

Last year the bureau recovered \$932,000 of policy proceeds and claim settlements for policyholders; nearly treble all previous yearly records.

Eleven of California's so-called "Chapter Nine" mutual life insurance companies, operating only in California, having \$58,000,000 of life insurance in effect and some 100,000 policies outstanding, were taken over. Investigations and hearings had disclosed misrepresentations, fraudulent claim settlements, exorbitant commissions to a few agents, inordinately high administrative expenses and excessive salaries to incompetent executives. Management has been assumed by division personnel at a cost of less than 19 per cent of salaries heretofore paid to officers and employees. Consideration is now being given to the rehabilitation of these companies so as to permit their return to independent operation. In the meantime, the policyholders are protected.

Careful studies of the worker's compensation rates proposed in 1939 accomplished a reduction of $8\frac{1}{6}$ per cent, which has now been in force one year and is saving California business over \$2,500,000 a year. We can not anticipate comparable reductions every year, but it is the fixed policy of the division to keep rates at the lowest levels consistent with the stability of the carriers and adequate protection.

The people may well be satisfied with the conduct of this division in which insurance companies, agencies and the insuring public alike have the highest confidence.

DEPARTMENT OF INSTITUTIONS

Introduction of the insulin shock treatment for acute case of schizophrenia has yielded a recovery rate of 83 per cent. This disease accounts for a very high proportion of all patients in State hospitals. Heretofore the spontaneous recovery rate has been only 8 per cent.

Cooperating with the State Department of Health, our mental hospitals are giving fever treatment, by malarial inoculation, for cases of syphilis involving the central nervous system before they have progressed to the stage of insanity. At present, more than a third of all admissions of cases of this kind are admitted upon their voluntary application. They stay two or three months and are then discharged as cured, being thus saved from the destiny of death or permanent insanity from their diseases. The trend of admissions of cases of neuro-

syphilis indicates that before very long almost all such cases will be admitted in the early stages and that general paresis will become a rare disease instead of constituting, as it has heretofore, 7 per cent of all of our hospital admissions.

By making new special provisions for outside care, we have been able to greatly liberalize and extend the parole policy for mental patients. Two years ago there were about 2700 patients on parole. Now there are over 4500; a net increase of about 1800 patients, or 67 per cent. This new policy has produced great benefits for the patients, the institutions are relieved of some of their overcrowding, and large economies are realized.

In spite of a growing admission rate, our system of outside care has enabled us to check the increase of population of our mental hospitals. In fact, recent months have produced an actual reduction, the first in the history of the department.

In the meantime new construction has increased the capacity of our mental hospitals by 1284 beds. The net results, thus far, has been a reduction of overcrowding from 25 per cent to 20 per cent.

The medical work and the general care of our patients has been raised to a higher standard. This is perhaps best demonstrated by the sharp reduction in the death rate among patients in the seven mental hospitals.

The new activities of the department have, of course, necessitated fairly large expenditures for transportation, new equipment, and additional specially trained personnel. Nevertheless, economies growing out of our extension of extra mural care have enabled the department to restore to employees salary adjustments in the amount of over \$750,000 for the current biennium.

* * *

During the past year two deaths occurred in the Whittier State School for Boys, which were apparently suicidal. Inquiry into the circumstances and means of discipline used in handling recalcitrant boys in the school, made by the Director of Institutions and by a committee appointed by the Governor to thoroughly investigate the case, failed to disclose any evidence of corporal punishment or abuse of the boy, or other boys in the school, and that committee selected by the Governor upon the recommendation of relatives and friends of the boy made a report exonerating the Superintendent and all persons employed in and about the school for any blame in connection with his death. When the second suicide occurred, widespread public interest and indignation was aroused, in the belief, drawn from publicized statements of former inmates of the school and others, that attendants in charge of enforcing discipline in the school customarily engaged in inflicting corporal punishment upon runaway boys and for violations of disciplinary rules. In order to have such accusations and also the disciplinary means and methods used at the school fully investigated, I appointed a committee of three outstanding citizens experienced in handling juvenile delinquents and incorrigibles and sincerely interested in their reformation and welfare. This committee has made such an investigation, has heard volumes of testimony and received reports from any and all sources from which they believed truthful information might be obtained that would help them to reach conclusions of fact

and report their conclusions and recommendations to the Governor's office. This report has been made. It embraces findings and conclusions of this committee that corporal punishment and brutal treatment has been commonly inflicted by attendants in charge of boys in the school who have been segregated for escaping or violating the rules of the school. As a result of this investigation one such attendant was indicted by the grand jury of Los Angeles County for violating the State law against corporal punishment in a State institution, and upon that indictment was tried and found guilty. In the light of this report, I have requested the State Personnel Board, with whom a copy has been filed in support of charges against the Superintendent of the Whittier School, to consider that report as charges affecting all persons employed in the institution for the purpose of making a thorough investigation of the matters thus reported to me as facts in regard to the treatment and handling of inmates of the school by their attendants. Inasmuch as this report would be secondary evidence before the Personnel Board in support of any charges, and in order that appropriate action justified by facts may be legally taken, a hearing and investigation of the whole matter must be held by the Personnel Board, which is the only authority to make removals of State Civil Service employees for cause. Recommendations have been made to me by said investigating committee with regard to a reformation of the system of handling the inmates of the Whittier School for Boys, and the qualifications of personnel employed at the school for that purpose, which I deem worthy of consideration and upon which I propose to act at the proper time.

DEPARTMENT OF EMPLOYMENT

The Department of Employment has two principal functions; finding jobs for workers and workers for employers, and administering unemployment insurance. The performance of both of these functions has been improved substantially during the past two years.

Specifically, the employment service to farmers and farm hands has been improved. During the past season, for the first time, workers could learn definitely where jobs were to be had, farmers could learn where to get workers on short notice, migrants were saved thousands of dollars in travel expense, there were no excess concentrations of labor, orders for workers were filled on request—even in isolated areas and, for the first time in many years, the agricultural season passed without a major strike.

Specifically, effective job-finding service is now rendered to youth, to young men discharged from the CCC's and to war veterans. California holds the record in the Nation for veteran placement.

Specifically, the department is working in closest cooperation with the National Defense Program, having placed thousands of skilled workers in the aircraft and other defense industries. The department, with funds made available by the State Department of Education, has inaugurated job training and retraining programs in which men have been given training for both old and new occupations—to assure a continuous supply of skilled workers.

Up to date, the department has collected over \$280,000,000 in contributions to the Unemployment Insurance Fund from 50,000 California employers, and disbursed over \$115,000,000 in unemploy-

ment benefits. The balance in the fund exceeds \$165,000,000. The fund now protects more than 1,500,000 workers. Thus far, there has been no quarter in which disbursements have exceeded income. However, there is some tendency toward equalization of income and disbursements.

A year ago at this time, charges were current that thousands of persons were obtaining insurance benefits illegally; that students were paying their way through college on unemployment insurance benefits; and that the fund was being used for health insurance. Four hundred twenty-four persons have been convicted in the California courts for obtaining money from the fund illegally. Chiseling has been stopped. The department is not financing college educations. And the department is not paying insurance to anyone who, because of sickness, can not take employment in his usual occupation.

More persons than ever before are obtaining jobs through the State Employment Service. Unemployment insurance benefits are being paid more promptly. The department has strengthened its relationships with both employers and employees. The department has become the center of labor placement for the defense industries. The department has reached that level of efficiency where it can, readily and efficiently, take care of an increased load, should this Legislature decide to place all workers in California under the protection of unemployment insurance.

The activities and policies of the Department of Employment stabilize and strengthen the economic life of the State.

DEPARTMENT OF MILITARY AFFAIRS

The California National Guard has been raised to new high levels of size and efficiency. Training schedules have been made more rigid and now embrace the newer developments in military arts. Personnel standards have been raised.

Two years ago the Guard's strength was 7,501 officers and men. Today it is 10,975. Old units have been increased in size and many new units have been organized. All units are modernized.

Some armories have been remodeled; some new facilities erected. Two new armories have been built and one is now under construction. Many more are urgently needed and are in contemplation.

The Guard camp near San Luis Obispo has been enlarged by the purchase of 1,300 acres of additional land and the whole camp leased to the War Department which is building a large troop training cantonment thereon.

The schooling program for both officers and enlisted men has been enlarged.

Induction of the California National Guard into Federal service for a year of intensive training started last September 16th. It is contemplated that the entire Guard will have been called up by the end of this month.

The office of The Adjutant General is now engaged in framing plans for a State Guard to perform the normal peace-time duties of the National Guard when all of the latter shall have been inducted into the Federal Service. The State Guard will be on a voluntary basis and composed of men not subject to military service.

The National Guard is an organization of enthusiastic men animated and bound together by a high esprit de corps. It is proud of its past record and its high professional standards. As the several units pass into the Federal service, we may be sure that they will reflect great honor upon the State of California.

In anticipation of the passage of the National Selective Service and Training Act, plans for its administration in California were made through The Adjutant General's office many months in advance. These plans have since been executed with efficiency, dispatch, and great credit to the State.

* * *

The outstanding development within the Veterans' Welfare Board during the past two years is that its home purchase operations have come to an end, all funds placed at its disposal having been used in full. Very substantial operating economies have been effected. The board's affairs are in excellent condition.

DEPARTMENT OF MOTOR VEHICLES

In the past two years, economies have been instituted in the Department of Motor Vehicles effecting savings of nearly \$500,000 a year. This has enabled payment of the long delayed salary increases due employees under the Civil Service Act. At the same time, efficiency and service have been improved.

The department carries on a continuous campaign of safety education and the Highway Patrol continues to render efficient service, but additional patrolmen are probably needed.

HORSE RACING BOARD AND ATHLETIC COMMISSION

The California Horse Racing Board and the State Athletic Commission have accomplished many reforms in aid of clean and honest races and athletics conducted by their licensees. They are performing a highly constructive service to the licensees, their patrons and the State.

BOARD OF STATE HARBOR COMMISSIONERS

The San Francisco Harbor Board, faced with a 35 per cent reduction in number of ships visiting San Francisco Harbor (due principally to war conditions), by an annual loss of \$350,000 in ferry boat revenue, and by the necessity for extensive repairs (too long deferred) to the railroad equipment, buildings and piers belonging to the board, has nevertheless succeeded in reducing staff and expenses, increasing the number of freight cars moved, making extensive repairs of rolling stock, tracks, buildings and piers, developing new revenues, collecting old debts, reducing insurance rate and premium charges, improving harbor services, and giving the personnel their automatic pay increases; all with the result that the board's budget will be balanced by the end of this biennium.

The board is working in close cooperation with Army and Navy officials in the National defense program.

The President of the board, has performed a signal service for the State by assisting west coast ship-building interests to secure contracts for the building of ships on the Pacific Coast.

Present plans contemplate converting the Ferry Building to use as a bus terminal. A start in this direction has already been made. Traffic studies indicate that a centering of all interurban bus transportation in and out of San Francisco at the Ferry Building, would serve the best interests of the general public as well as most business interests.

The board contemplates redesigning the piers at the Ferry Building in order to accommodate the large passenger ships contemplated in the Federal ship building program. This development would make San Francisco the most famous and unique port in the world for the handling of ocean passenger business.

DEPARTMENT OF SOCIAL WELFARE

Under the Department of Social Welfare, 143,000 of California's elder citizens are now receiving old age assistance. They are deeply grateful for the release of liens against their property and for the increased monthly allowance from \$35 to \$40. The average payment is about \$38 per month.

The State has increased the proportion of costs paid for financial aid to dependent children, thus relieving the overburdened counties. Care for children in rural California has been extended and specialists made available under the Child Welfare Service.

Administration of the whole Social Security Program has been improved and mutually satisfactory arrangements between the State as the supervising authority, and the counties have been achieved.

The State is preparing the first manual for administration of aid to the needy aged, the blind, and children, for distribution to county agencies. A State Hearing Officer has been employed so that needy persons appealing to the State Board of Social Welfare, but unable to get to the place where the board meets, can be heard in their own communities.

Thanks to cooperation with the State Fire Marshal's office, the inmates of all institutions in the State for aged persons, and children, are being given the most careful protection from fire hazards.

There has been no increase in the percentage of administrative costs.

STATE RELIEF ADMINISTRATION

Administration of State relief in the form of cash doles to the needy unemployed has been rather a hectic job in every administration, due to a number of causes but principally to the underlying cause for State relief. That is the dire distress, need and want for sustenance by so many hundreds of thousands of people in poverty and unable to find a place in which to work for their own maintenance. Organized pressure groups voicing the complaints of many in need of relief who are on the borderline of eligibility but who have not been admitted to the relief rolls have harrassed every administrator, particularly during the periods when the number needing relief was nearly three times greater than in recent months. And individual leaders with a revolutionary or social upheaval purpose have caused dissensions and made disturbances for relief administrators in disregard of the limitations of the powers of the administrators and often in disregard of the reasonableness of their protests. The number

employed in the administration of relief has varied with the ups and downs of the relief case load, and administrators have been harrassed by pressure groups to be retained while others were laid off, and by those who were laid off, for reemployment, all due to their dire need for employment and constituting another manifestation of the unemployment problem. Conflicting needs for retaining or obtaining employment have often inspired unfounded criticism of individuals as being incompetent for the jobs they seek to hold. Such charges are too often erroneously accepted as facts by those disposed to criticize rather than cooperate in establishment of harmony and systematic, orderly procedure in employments and layoffs based upon a sense of fairness to all concerned.

Charges have been common that there has been a disposition on the part of this administration to give employment in the administration of relief purely as rewards for political party service in the election of this administration, regardless of their competency. But the fact is that no administrator has ever been requested—no administrator has ever been authorized by me to employ any person incompetent to perform the work for which he has applied. And it has been left to every administrator and his personnel division, working under contract with the State Personnel Board, under classifications, standards, ratings and qualifications established by it for the various employments, to determine the qualifications of each according to such standards. In order to relieve the administrator of the burden of hearing complaints as to discrimination and unfairness in layoffs and employments, there was designated under one administrator a board of personnel standards and appeals to hear such complaints and assist the administrator in dealing fairly with all persons concerned, and in all possible ways to assist in improving efficiency of this service and keeping the cost of administration within a limit of 15 per cent of the appropriation for relief, which I consistently recommended, and which recommendation was finally embraced in the relief appropriation act.

A joint legislative committee of the preceding Legislature has spent much time and money in the investigation of every relief agency in the State. In its hearings many loose, unfounded and utterly false statements have been made regarding employments in the relief administration by persons disgruntled because they have been discharged. Irrational, intemperate and false statements have been made by disappointed and vengeful individuals.

Good faith in seeking the distribution of the moneys appropriated for relief to the fullest possible extent to those for whose benefit it was intended has even been questioned by such persons in hearings of their *ex parte* and unsupportable statements.

Any imputation that it was ever the purpose of this administration to make a political machine of the relief administration by appointing persons as rewards for their political activities and regardless of competency and merit is disproved by the fact that I have consistently heretofore and I am today recommending that the Legislature enact a law placing the State Relief Administration under civil service beyond the control of its employees for political purposes.

Fortunately, with the drastic drop in the relief load and the prospect of continued employment of its employables in industry due to

the increased Federal expenditures in preparing for National defense, we can look forward to the need for a budget not to exceed \$20,000,000 a year during the next biennium for whatever form of unemployment relief that may be provided for by the Legislature.

In my recent visit to Washington I was reliably informed that the National Administration contemplates a continuation of the WPA on approximately its present scale of WPA employments, which in California now provides for about 75,000 cases. It is to be hoped that there will be no let-down in WPA employments as there was in the latter part of 1939, when some 30,000 cases were dropped from the WPA rolls onto the State relief rolls, increasing the State relief load to an all time high in the early part of 1940.

THE STATE FAIR

The conduct of the State Fair has been attended with extraordinary success. The 4-H Clubs and Future Farmers organizations now have 15 new exhibit buildings which they crowd to capacity. At last September's fair the live stock exhibits were larger than ever before; the educational exhibit buildings were filled to capacity; the night attractions were exciting and drew capacity audiences; the grounds were greatly improved; the crowds were pleased with improvements in the conduct of racing events. Exhibitors and concessionaires alike were pleased and the attendance broke all records, reaching a total of 713,625. Since closing of the Exposition at Treasure Island, several buildings and much exhibit material has been transferred to the State Fair Grounds.

DEPARTMENT OF PENOLOGY

The Department of Penology has been reestablished and made to function.

A private contract made by the old prison board with a firm of architects to do the architectural work for the Chino Prison, instead of having that work done by the State Division of Architecture, was canceled at a direct saving to the State of approximately \$150,000. The architectural work is being done by the State Director of Architecture under reformed plans to conform with the original intent of the Legislature in providing for the establishment of this institution. This has resulted in further large savings.

The most comprehensive and scientific study of prison feeding ever made in the United States was made in 1939 at San Quentin. The direct result was the hiring of a chief steward, improvement in the quality and nutritive value of food served, and the elimination of waste formerly suffered from bad preparation.

Corporal punishment in connection with the enforcement of discipline in San Quentin Prison has been abolished and orderly compliance with law and prison regulations now prevails in that penal institution.

Several divisions of the Department of Penology heretofore scattered are now being consolidated in the Ferry Building at San Francisco with prospect of increased efficiency and economy.

BOARD OF PRISON TERMS AND PAROLES

Inability to find outside jobs, a condition of parole, continues to delay the parole of many prisoners. Last year 544 prisoners approved for parole were forced to remain in prison for this reason, and another 284 were discharged, having served their sentences in full, who could have been released much earlier had jobs been available.

Experience with road camps and prison farms has been most satisfactory. Their expansion is strongly urged.

The board constantly strives to improve the type of information upon which paroles are granted. Increased attention is given psychiatric findings.

Continued increase in the number of sex offenders is a matter of grave concern. Their segregation and special treatment are especially difficult. It has become apparent that prison is not the solution for the constitutional psychopathic inferior type of criminal with anti-social tendencies. The board is trying to provide for clinical psychiatric treatment and observation for paroled sex offenders.

In 1939 California became a signatory to the Interstate Parole Compact for the supervision of parolees and probationers. Experience thereunder has been quite satisfactory.

The board has established its office in the Ferry Building in San Francisco with an executive secretary. Here for the first time in the history of the State's parole system, members of the board are available to relatives, dependents, attorneys and friends of inmates and to others properly interested in parole problems. The executive secretary spends part of his time in Los Angeles for parole interviews. This service has afforded tremendous relief to hundreds of distressed relatives of prisoners in furnishing them accurate information about the length of prison terms and parole requirements.

Considerably more time than ever before is now being spent by members of the board in consideration of parole cases. Last year, 4,746 cases were considered by the board at meetings held in San Quentin and Folsom Prisons. In each case, the inmate appeared personally before the board for the purpose of having his sentence fixed or his parole application considered.

DIVISION OF NARCOTIC ENFORCEMENT

Although in operation only a few months, the benefits of the new Narcotic Prescription Control law are already apparent. The compulsory reports thereunder disclose large amounts of narcotics being supplied to known addicts; addicts procuring prescriptions from two or more physicians at the same time; addicts using different names with different doctors and many other startling and flagrant abuses. The division is only now and for the first time in position to make individual investigations of disclosures developed by the prescription control system.

The division works in closest cooperation with Federal and local enforcement officers, and as a result the country now has a nationwide net work for the apprehension of illicit manufacturers, importers and distributors of narcotics. In the past two years, many spectacular captures have been made of marihuana, heroin, Japanese "cotton" morphine, cocaine and opium. These captures, together with the

seizure of 62 automobiles have been a strong factor in crippling the narcotic traffic.

Nevertheless the prevalence of drug addiction remains astounding and alarming owing to the many difficulties encountered in its prevention. For example, it is stated that it will require a 10-year program to eradicate marihuana, because of the widespread growth and easy access to this destructive drug plant.

* * *

The new Prison Board, in the six months since its appointment, has sponsored and effected a series of constructive projects, betterments and reforms much needed to give California a practical, humane prison administration. The results so far achieved justify confidence that the board is proceeding in the right direction. There has been a marked improvement in prison morale and discipline, both at San Quentin and Folsom. Brutalities have been abolished. Officials and guards responsible for brutalities have been summarily discharged. Political control has been eliminated and standards of prison management materially raised.

Plans have been adopted and are under way for creating more useful work opportunity for the inmates, to expand the present prison road camps and to establish prison forestry camps in isolated sections of the State parks and forest areas.

The policy of making the new prison at Chino, in San Bernardino County, a minimum security rather than a maximum security institution, and to operate it largely as a prison farm, is being followed by the board.

The Detective License Bureau, an adjunct of the State Board of Prison Directors, is being revamped.

The State Parole Office is in the process of complete reorganization to provide more adequate supervision over parole prisoners. A merit system for the selection of employees has been inaugurated. The parole office will have a higher type of personnel and more modern facilities to meet existing conditions.

RECOMMENDATIONS

I shall not attempt in this message to recommend all the legislation which I consider is needed, but I here make the following recommendations:

UNEMPLOYMENT RELIEF

I recommend changes in the basic policy governing the handling of unemployment relief. Members of this, and of the past Legislature, and the general public as well, know that I have constantly advocated abandonment of the cash dole and the substitution therefor of work relief, including productive work, making opportunities for the unemployed to produce for their own needs.

I still oppose the dole. If I were to amplify this statement, I would only be repeating messages transmitted to you in the past and contained in your journals.

I now recommend that the State Relief Administration should be provided with funds and empowered to give employment to the unemployed and training for employment. The Relief Administration

should cooperate closely with the State Employment Service with a view to finding jobs for the unemployed in industry. The Relief Administration should sponsor public works' projects providing work for those who can not be placed in industry. The Relief Administration, cooperating with the Employment Service and with our State and local educational institutions should conduct and provide vocational courses of instruction to train the unemployed for skilled and semiskilled jobs. Such courses, of course, should be equally available for all job-seekers, whether they be eligible for relief or not. Job training should be a definite public policy; especially as long as there are large numbers of workers seeking jobs and defense industries in need of trained workers.

Giving job training to unemployed workers will for a time cost a little more than the cash dole but to the extent that it fits them for jobs now waiting, it will in the long run be a profitable policy.

The policy of work relief will draw the line, clearly and sharply, between employable and unemployable. The giving of jobs and the doing of work will eliminate the onus of public charity. Even more, it will make certain that no chiselers will be found on the relief rolls.

CENTRAL VALLEY PROJECT

One subject of the most vital concern to the people of California is the development of our natural resources in a manner assuring maximum benefits therefrom to the people. As a part of this concern, we have the great Central Valley Project. So very much depends upon the manner in which it shall be organized, how the costs of the various elements of the project shall be apportioned to navigation, flood control, salinity control, irrigation and electric power; how the water and power shall be distributed to the people and how much they shall cost; and how the great Central Valley region shall be developed in order to improve the welfare of the people who live there.

If the Central Valley Project is to be planned and operated so that its benefits shall really inure to all of the people, then we must develop definite, comprehensive, long-range plans and operating policies for the project. We must do this either by creating a California Authority fully empowered to serve these purposes and to help finance publicly-owned facilities for the distribution of electric power generated by the project, and to aid and promote new industrial developments and economic opportunities built upon the vast mineral, forest and farm resources of the region, or by a Federal Authority clothed with ample powers by the National Congress.

Heretofore I have recommended amendments to our Central Valley Project Act to give our Central Valley Authority the power to proceed with such plans; particularly through the release and sale of a portion of the originally authorized revenue bonds to help finance local, publicly-owned electric power distribution systems.

But the Legislature has not seen fit to grant these powers.

And, being somewhat doubtful that the present Legislature would act favorably to such recommendations, I recently presented to the President of the United States the proposal that, since the Federal Government has assumed the cost of and is constructing the main features of the Central Valley Project, it should go further and

establish a Federal Regional Authority with full powers to secure its benefits to the people. The President's reaction was immediately favorable. He said he would favor the enactment by Congress of the necessary legislation establishing such an authority. As a result, a bill will be introduced in Congress providing for the establishment of a regional Central Valley Authority or a Pacific Southwest Authority which would also have similar jurisdiction in the Colorado River Basin. This solution of the Central Valley problem will, if adopted, save time, eliminate confusion and the delays incident to divided authority, and assure the effective integration of all of the great benefits potential in the project.

In the meantime, however, as a safeguard and to facilitate the organization and construction of publicly-owned electric power distribution systems by cities and utility districts, I again recommend amendments to our Central Valley Act, releasing revenue bonds authorized by the act and enabling their use to help finance local public utility districts.

I also recommend that memorials be addressed to the President and Congress urging further aid and the establishment of the proposed regional authority and greater speed in the construction of the Central Valley Project.

USURY

Later on, during your session, I expect to make recommendations for further regulation and control over the small loan business, to prevent usurious charges.

HEALTH INSURANCE

I repeat here a recommendation I made two years ago that California adopt a system of universal compulsory health insurance. The need and demand for such insurance is amply demonstrated by the many plans proposed or already in operation, including that advanced by the medical association. These plans are all constructive in purpose and many of them are quite useful within their limits but, by their very nature, they can not meet the broad needs of society.

There is but one method that is socially adequate. That is the method already applied to Workmen's Compensation Insurance, Old Age Insurance and Unemployment Insurance. It is the method applied to health insurance in 24 of the 27 countries having health insurance; that is, by making it both universal and compulsory. In our Department of Employment, which administers unemployment insurance in California, we already have the machinery and the organization to take over the work of administering a health insurance plan.

STATE HOUSING AUTHORITY

I again recommend the creation of a State Housing Authority.

AGRICULTURAL LEGISLATION

I recommend still further strengthening of our agricultural marketing laws. This is needed not only to improve the farmer's economic position but also to counteract the weakening effect of recent court decisions.

The practice of submitting so-called "open-price" contracts to farmers in California still continues a source of irritation to growers and State enforcement officials. Under these so-called "open-price" plans, the grower is more or less at the mercy of the buyer in so far as the price he receives for his product is concerned. This matter should be studied by the Legislature with the hope that protective features for the growers can be devised to eliminate the losses which so frequently result from these contracts. Laws establishing and maintaining high quality standards for farm products entering the markets need strengthening.

Interstate trade barriers are hampering free movement of California's agricultural products. The California Commission on Interstate Cooperation should be empowered to move legally to help solve these problems which have such important bearing upon our relations with other States.

SOIL CONSERVATION

I again recommend legislation relating to soil conservation through the control of run-off and the prevention and control of soil erosion, establishing a State Soil Conservation Commission and providing for the organization and operation of soil conservation districts.

REORGANIZATION OF GOVERNMENTAL AGENCIES

For reasons set out in my message of May 18, 1939, I again recommend legislation and constitutional amendments providing for the reorganization of the State's fiscal operations, including tax collections, pre-audits and post-audits of expenditures, and the handling and investment of State funds.

LIQUOR CONTROL

I again recommend the creation of a separate State agency to administer State control of the manufacture, transport, sale, purchase, possession and disposition of alcoholic beverages, and a restoration of the State Board of Equalization to its original status as a board of equalization of assessment of State and county taxes.

INDUSTRIAL RELATIONS

The need still exists for a State Labor Relations Act to provide machinery for the peaceful settlement of jurisdictional disputes, strikes and lockouts in intrastate commerce.

UNEMPLOYMENT INSURANCE

I recommend the broadening of the California Unemployment Insurance Act to include all industrial and agricultural employees so that no worker will be excluded from the benefits of this insurance.

WORKMEN'S COMPENSATION INSURANCE

The benefits, accruing alike to workmen and employers, still warrant legislation vesting the writing of Workmen's Compensation Insurance exclusively in the State fund.

HORSE RACING

The California Horse Racing Law should be amended in several respects. Greater revenue should be derived to the State from the operation of tracks licensed by the State, and numerous amendments are recommended by the Racing Board, needed to better enable the board to administer the law in accordance with its purposes, in order to increase revenue, aid horse breeding in California, and aid the enforcement of fair-dealing and honest practices in the operation of the tracks and in the conduct of racetrack employees. I commend to your careful consideration the specific amendments recommended by the Horse Racing Board.

DIVISION OF INSURANCE

I recommend submission to the people for vote, an amendment to the State Constitution to progressively eliminate the right to deduct certain real-estate taxes from gross premium taxes, and to equitably modify the premium tax rate. Under present constitutional provisions the right to deduct real estate taxes has resulted inequitably in favor of those companies which, due to the depression, have acquired by foreclosure unprecedented amounts of real estate. The mounting size of these deductions affect State revenues very adversely. The insurance companies themselves, recognizing this situation, agree in principle with a plan for equitable progressive adjustment.

MEMORIALS TO THE NATIONAL GOVERNMENT

I believe that memorials should be addressed to the President and the Congress as follows:

1. Giving assurance of California's complete support of and desire to cooperate in the National defense.
2. Urging additional Federal appropriations to connect military cantonments with existing State highway systems and to improve and enlarge the capacity of highways and bridges where necessary to meet the extraordinary requirements of military use.
3. Calling attention to the large number of workers remaining unemployed and in need of relief in California; to the value of WPA work projects to the National Defense Program; and asking for continued large WPA allocations for California.
4. Calling attention to the housing shortage emergency induced in several areas in California by the rapid expansion of war industries and urging prompt response thereto.
5. Calling attention to the need of Federal aid for low cost housing projects in certain rural areas of California.
6. Calling for a study of the effects upon our economy of foreign war purchases and of National defense spending, and of the economic repercussions which may be expected when peace comes; and calling for the formulation of policies and programs for economic readjustment to peace.
7. Declaring our belief that old age pensions should be Federally financed and administered in their entirety.
8. Urging continued and enlarged appropriations for the more rapid development of the Central Valley Project; calling attention to the value of the project to the National defense.

9. Reminding that the migrant problem remains very serious and distressing in California; asking continued support of the studies of the Tolan Committee; and asking enlarged allocation of funds for relief and rehabilitation of migrants.

10. Calling attention to the need for further flood control and navigation work in California.

11. Calling attention to the need for measures to remove and restrain interstate trade barriers.

12. Supporting the establishment of a Federal Executive Department of Education and increased Federal aid for education and public health services including proposals for National hospitals for tuberculars.

CONCLUSION

In concluding this message I wish to make these observations:

Our most pressing and acute problems, mass unemployment and taxation for its relief, have been rendered less acute and less pressing as a result of heavy National defense spending. Nevertheless we must regard this condition as temporary. We must give serious thought to the recurrence of these problems which will attend the return of peace. They may recur in forms even more aggravated than we have experienced in the past, and when war ends, which we all fervently hope shall be soon, we shall also have to face payment of its costs. In other words, the legislative and executive branches of our government must give every aid and support to the National defense. But we should, at the same time, anticipate the disturbing realignment of social and economic forces consequent upon the return of peace and prepare for readjustments thereto. If we can, in the preparedness for peace, preserve and apply the same high purpose and National unity which prompt and support our present efforts to prepare our National and home defenses, we shall be better prepared for the solution of our internal problems and to maintain the confidence of the people in democratic processes and democratic institutions.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

BUDGET MESSAGE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, January 24, 1941

*To the Senate and the Assembly of the State Legislature
of California*

In accordance with the provisions of Section 34, Article IV of the State Constitution, I herewith submit for your consideration a budget containing a complete plan and itemized statement of all proposed expenditures provided by existing law and recommended for each fiscal year of the biennium beginning July 1, 1941, and ending June 30, 1943, together with the comparisons of revenues and expenditures, as required by that section.

Expenditures recommended in this budget, totaling \$552,570,000 are \$13,487,000 below the actual and estimated expenditures for the current biennium. Estimated receipts are \$613,070,000, or \$54,532,000 more than the amount for the present biennial period. If this estimate proves correct, the excess of General Fund revenue over expenditures will retire the existing deficit in its entirety and permit the State to close the coming biennium with a General Fund surplus of \$11,000,000.

This prospect is, of course, contingent upon three factors:

First, the continuance of the National defense program with its huge expenditures and consequent mounting economic activity.

Second, maintaining tax rates at present levels, and

Third, keeping actual appropriations for the coming biennium within the budget here presented.

FACTORS CONTROLLING THE SIZE OF THE TOTAL BUDGET

Before discussing the items in this budget which show increases over the corresponding items of the current biennium, a few basic facts about the budget should be mentioned.

First, the fixed charges, or continuing appropriations, represent 70 per cent of the \$552,570,000 total, or \$385,700,000, of which \$289,758,000 is for distribution or subventions to the counties, cities, and other units of local government for schools, streets and roads, local fairs, and aid to the needy aged, the blind, and dependent children.

Second, items subject to executive control comprise only 30 per cent of the budget. Aside from unemployment relief, reductions possible in other controllable costs of State Government can not, in any case, be sufficient to offset the growth in mandatory charges experienced during recent years.

Third, California is a rapidly growing State. The numerical growth in population during the last decade exceeded that of any other State of the Union. It is reasonable, therefore, to expect corresponding demands for expanded governmental services with resultant increases in governmental costs.

Finally, we must take account of the fact that during the past quarter century the people have needed—demanded—and received

many new, important and costly services at the hands of State Government. These services have contributed to and supported the general welfare. They have been evolved through our democratic processes. They are helping us to survive the impact of the machine age. They are easing our transition to a more rational social and economic order. They typify the evolution of government from a mere instrument of the police power used for the preservation of order, into an effective agency responsible to the collective needs and will of the people. This is the promise of American democracy which makes it strong and unquarable.

FIXED CHARGES

Fixed charges, over which the Governor can exercise no control, will increase \$21,424,000 during the coming biennium, according to budget estimates. In other words, that increase is mandatory under provisions of our State Constitution and existing statutes.

The largest item of mandatory costs is support of the public school system, which during the coming two-year period will require \$160,670,000 or \$4,680,000 more than the expenditure for this purpose during the current biennium. This increase is a product of our population growth. Elementary school enrollment has advanced during the current school year and will rise further as the increased number of children born in 1934 and 1935 reach school age. High school and junior college attendance is gradually mounting. Moreover, schools are being called upon to train workers for our National defense program.

Expenditures for construction and maintenance of highways, county roads, and city streets—another fixed cost—will increase \$9,470,000 in the coming biennium to a new high total of \$128,000,000. Nevertheless, those most familiar with the demands likely to be made upon our highway system believe that the present rate of investment in the traffic arteries of our State is inadequate.

Aid to needy aged, blind, and children, a function of government much neglected in the past, is rapidly assuming major proportions. State payments required for assistance to these needy citizens will increase \$7,600,000 in the 1941-1943 period, reaching a total of \$49,750,000.

Requirements for debt interest and redemption will decrease in the next two years, due principally to a reduction in interest charges on registered warrants. It is anticipated that the improvement in the State's financial position will enable retirement of all but a fraction of the \$90,000,000 of General Fund warrants now outstanding, and that the interest rate, which has decreased significantly in recent months, may drop to a still more advantageous level under the impact of increasing revenue. It should be emphasized, however, that debt service is the only important item of fixed cost showing a decrease in the coming fiscal period, and that this reduction is more than offset by increases in the mandatory costs already mentioned.

Other fixed charges, principally representing State-collected revenue shared with local units of government, will increase \$3,100,000, making up the remainder of the \$21,424,000 in the unavoidable increases encompassed in the budget total. It may be unnecessary to observe that had there been no increases in fixed charges, the budget total for 1941-1943 would have been \$531,100,000 instead of \$552,500,000.

CONTROLLABLE EXPENDITURES

Controllable expenditures of State Government may be divided into six functional groups: General government offices; unemployment relief; charitable and penal institutions; the State university and State colleges; regulation of motor vehicles; and miscellaneous.

In order to facilitate presentation of these budget data, I shall first discuss operating expenses of each group.

Operating expenses are those incurred in the normal running of our State offices, departments, institutions, schools, and other agencies of general government. They include salaries and wages of State employees, expenditures for food and clothing for inmates of our State institutions and prisons, and services, supplies, and equipment required by governmental offices.

In analyzing the State's operating expenses there is one large item common to all agencies; that is the allowance for salary adjustments. The budget recommendations make full provision for these adjustments, in compliance with the expressed intention of the Legislature to recognize merit in its public servants, and to offer qualified persons an incentive for a career in public service. Governmental efficiency is promoted, and sound business principles prompt, the adoption and application of this policy.

Section 70 of the State Civil Service Act, adopted in 1937, provides that after one year in service, each employee shall receive an upward adjustment of salary equivalent to one of the intermediate steps in his salary range if his performance rating shall equal a required percentage fixed by the Personnel Board. Salary ranges provide, generally, for four intermediate steps. Thus each efficient employee is entitled under the Civil Service Act to receive an adjustment of his salary at the end of each of his first four years of State service. Furthermore, the act provides that all agencies, in submitting budgetary requirements, shall carefully estimate and call attention to the need for moneys sufficient to provide for appropriate salary adjustments for the employees under their jurisdiction. To carry through the next biennium the adjustments given in the current two-year period, and to make the further adjustments due in 1941-1943, will require approximately \$5,000,000. This increase affects all State agencies and is included in the totals for the six functional groups itemized below.

General State Offices, Boards, Commissions and Departments

The function of general government, involving support of 13 State departments, 17 boards and commissions, 5 administrative offices, together with the legislative, executive, and judicial branches, will require \$48,500,000 for normal operating expenses during the 1941-1943 biennium, under the recommendations I am making to you. Of this amount, approximately 45 per cent will be paid out of the State General Fund, and 55 per cent from special funds—funds earmarked for specific purposes. The aggregate increase over the current biennium is \$3,900,000. In recommending larger appropriations for general governmental agencies, I am recognizing the need for some additional funds by the State Department of Industrial Relations, the State Railroad Commission, the State Board of Equalization, the Franchise Tax Commissioner, and certain other agencies. During the budget

hearings for these and all other agencies, substantial reductions were made, and it is only on the basis of established need that increases have been included in my budget recommendations.

Unemployment Relief

Because of the upsurge of business and industrial activity in California, induced by large Federal expenditures for National defense and the training of Army and Navy personnel, unemployment in this State has been decreasing at a rate un hoped-for even 12 months ago. It is now anticipated that by the beginning of the next biennium, jobs will have been found for nearly all of those now on the relief rolls who are capable of holding skilled or semiskilled jobs, and that the relief load will then consist mainly of the unskilled, the physically handicapped, and the seasonally unemployed. In this budget I have recommended an appropriation of \$38,700,000 for unemployment relief for the entire next biennium, a reduction of \$40,600,000 from the total for the current biennial period. You know, as I have so often stated, that I am convinced we should as speedily as possible, but without permitting want and suffering, discontinue the payment of cash doles to the employable unemployed. Therefore, I shall present for your consideration, legislation to provide that unemployment relief funds may be used to give employment to the unemployed, and to train the unskilled for jobs in industry.

Hospitals, Homes, Prisons, Correctional Schools

The institutions, prisons, and reform schools of this State will provide care and maintenance for an average of 39,200 persons each year of the next biennium. For this purpose I recommend appropriations totaling \$28,650,000 or \$4,460,000 more than for the 1939-1941 period. In addition to salary adjustments and increases necessary for the growing number of patients and inmates, this increased allotment for the institutions of our State also makes provision for progress in the work of these agencies. I am recommending that during the next biennium the State make full provision for the institution shortly to be opened at the site of the State Narcotic Hospital, near Spadara, for the care and cure of chronic inebriates. The budget also contemplates that new treatments for the mentally ill, which have proved highly successful in limited applications, will be extended. The recently developed methods of intensive treatment, such as insulin shock, which have produced recoveries in the vast majority of cases in which they have been used, must be utilized in all instances where there is a possibility of success. The research work now being conducted in the State mental hospitals will be extended through placing into operation in January, 1942, the new Acute Psychiatric Hospital in San Francisco. While these improvements in the scientific handling of institutional cases will necessitate larger expenditures in the next biennium, the State will benefit economically and socially by rehabilitating thousands of men and women now crowding our State hospitals and restoring them to society as normal and useful citizens.

Education, State Colleges, University, and Special Schools

As all of you know, the University of California is one of the largest institutions of its kind in the United States in point of student

enrollment, and the personnel of its instructing staff is unsurpassed. The State maintains seven State colleges, which are also recognized as foremost among educational institutions with high standards of instructions. The State also maintains two special schools for the deaf and blind, a merchant marine training academy and a polytechnic school, which are performing a splendid service in vocational education. Operation of these educational institutions, support of the State Department of Education, free textbooks, and other educational activities will require an expenditure of \$27,980,000 during the coming two-year period, over 95 per cent of which will be paid from the State General Fund. Expenditures for these educational functions will increase \$2,800,000 over the total for this biennium, of which \$1,500,000 is for the University of California.

Regulation of Motor Vehicles

A constitutional amendment adopted in 1938 sets aside all revenue received from motor vehicle fuel taxes and motor vehicle fees, with the exception of "in lieu" license fees, for expenditure on highway, road, and street work and the regulation of motor vehicles. Thus, the State Department of Motor Vehicles occupies a somewhat unique place in governmental structure. Although expenditures of this department are controllable, any saving made in regulation of motor vehicles must be expended on highways, roads, and city streets. Expenditures recommended for this function of government total \$14,300,000 or \$1,230,000 above the comparable 1939-1941 figure.

Miscellaneous

Miscellaneous controllable items, including the State Fair, Sixth District Agricultural Association in Los Angeles, flood control, tuberculosis subsidies, the Emergency Fund, and miscellaneous minor charges will require \$6,600,000. These expenditures will be \$1,200,000 less than for the current biennium.

The increase in the operating expenditures for the State Government, exclusive of the \$5,000,000 to carry salary adjustments will be about \$6,000,000. This sum represents the increased cost of extending governmental services in the fields I have mentioned.

CAPITAL OUTLAYS

Capital outlays recommended in this budget include only those "must" items requiring immediate attention. There are many others which would be highly desirable and which should be undertaken at the proper time, but a large part of this work can be postponed until the housing needs of the State Government can be surveyed and a long-term building program formulated. In the meantime, provision should be made for the relatively minor outlays embraced in this budget.

The State Government is badly in need of additional buildings. But whether we should enter upon a construction program at this time, in competition with the Federal Government's program of defense construction, is a question meriting your immediate and serious study. Present prospects are that economic activity within our State will reach new high levels during the coming two or three years. But the

time will come when peace shall again prevail in the world. We shall then have to face the probability that unemployment will again become as burdensome, as acute in all of its manifestations as ever before; perhaps more so. This prospect suggests that the actual commencement of an extensive public building program may well be postponed to provide work for those now engaged in preparedness industries. If we may judge from experience, an additional advantage of this policy will be the substantial economies resulting from lower prices of building materials.

I am, therefore, recommending that the State undertake a study of its long-term building needs and that, so far as possible, provision be made to time the construction of public buildings and the performance of public works to coincide with the work needs of our citizens. Appropriate legislation for such a program will be introduced for your consideration.

THE STATE'S FINANCIAL POSITION

With respect to the current financial position of the State Government, I am pleased to report real improvement during the last year. The tax system of this State is quickly responsive to business conditions, and the industrial activity generated by the National defense program has produced an extraordinary and unpredicted rise in revenue collections. Although the General Fund deficit is estimated at \$47,600,000 as of June 30, 1941, as compared with \$36,500,000 in 1939, this increase occurred entirely within the first year of the present biennium. Financial operations during the current fiscal year show income and expenditures in balance.

A General Fund surplus of \$11,000,000 is estimated for June 30, 1943, but I must caution you that this surplus is entirely prospective and contingent. It is two and one-half years in the future. These estimates have been carefully prepared and every effort has been made to anticipate the course of future economic conditions. But events may change our whole outlook. In view of the uncertainties in present world affairs, every effort must be made to husband the financial resources of State Government with a view to creating a surplus in hand rather than a surplus in prospect. Periods of great economic activity have always generated a reaction. We can not expect defense activity to be an exception. When the last business boom ended in the market crash of 1929 and we entered upon a prolonged depression, the State of California had a General Fund surplus of over \$30,000,000. With our present State budget approximately twice that of 10 years ago and a large percentage of the total tied up in fixed charges, there is even greater need for a reasonable surplus to cushion the shock of another depression. When we have accumulated such a surplus, we may then turn our attention to revising our State tax system and reducing the levies which now fall so heavily on those least able to pay. To that end, I invite your cooperation in holding special appropriation measures to the absolute minimum.

This budget, as I have said before, is based upon what I believe to be the present requirements of our State Government. However, in the discharge of your duties as legislators, you will wish to deter-

mine for yourselves the needs of each State agency. In carrying out this task, all departments of the State Government stand ready to extend to you every facility at their disposal.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

REAPPORTIONMENT

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, April 1, 1941

*To the Honorable Members of the Senate
Sacramento, California*

GREETINGS: I am pleased to inform you that I have received from the Clerk of the House of Representatives of the United States certification that pursuant to Section 22, Subdivision (B), of the Act of Congress of the United States of America entitled "An act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress," approved June 18, 1929, as amended, by public numbered 481, Seventy-sixth Congress, approved April 25, 1940, that the State of California shall be entitled, in the Seventy-eighth Congress and in each Congress thereafter until the taking effect of a reapportionment under said act, as amended, or subsequent statute, to 23 Representatives in the House of Representatives of the Congress of the United States.

I have caused to be filed with the office of the Secretary of State the original of this official document.

Respectfully yours,

CULBERT L. OLSON
Governor of California

MILITARY SERVICE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, April 10, 1941

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: I have just signed Assembly Bill No. 285 which grants leaves of absence for Military Service to employees and officers, other than elective officers of counties and other public bodies. The Legislative Counsel has reported to me as follows concerning the bill:

“Section 20 of Article IV of the Constitution provides in part that: ‘

‘No person holding any lucrative office under the United States, or any other power, shall be eligible to any civil office of profit under this State.’

This constitutional limitation appears to invalidate the provisions of this bill in so far, at least, as persons now holding offices in political subdivisions of this State are called into the armed forces of the United States and serve in such forces as officers.

The courts have held that a military office is a lucrative office under the United States and as a matter of fact the historical background of this constitutional provision which was in the original Constitution adopted in 1849, indicates that one of the purposes in adopting it was to prevent the holding of State offices by officers in the Federal Military Force situated in California.

A ‘leave of absence,’ does not imply a ‘vacating’ of the State office but rather a continued holding of the office even though during the period of leave the powers and duties are performed by some other person.

In this connection we would call your attention to the method of approach to this problem as appears in Chapter 18 of the Statutes of 1941. This chapter amends the State Civil Service Act and provides in effect that any civil service employee of the State who enters the Military Service ‘shall have the absolute right to be restored to his former position’ upon the termination of that service. The procedure in that bill thus permits a resignation with an absolute right of reinstatement and so avoids the problem presented by Section 20 of Article IV of the Constitution.”

In view of the possibility that an officer or employee might rely upon the provisions of this bill and that it might later be declared to be in part unconstitutional, I believe that you should be informed of the views expressed above. I may also say that similar comments in regard to related legislation have been made by the Attorney General in his opinion No. N. S. 3078.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

EMPLOYMENT OF NEWSBOYS

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, May 3, 1941

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: I am returning herewith, without my signature, Assembly Bill No. 375, entitled "An act to add Sections 552.1, 1296.1 and 1299.1 to the Labor Code, relating to the sale or distribution of newspapers and other publications by minors."

My objections to this bill are as follows:

Existing law of this State prevents the employment of children under the age of 14 years during the school year and under the age of 12 years during the school vacations. There is no question that this prohibits the employment of children to sell newspapers or periodicals if they are under such ages. However, it is contended that these laws do not prohibit the selling of publications to boys over 10 years of age and such boys from selling the same, on the theory that in such cases there is no employment, but that the boys are "little merchants" or independent contractors. The Department of Industrial Relations, which administers the laws prohibiting child labor, does not agree with this contention, and for very sound reason. Contrary to an opinion issued from the Office of the Attorney General, which is in conflict with a previous opinion from that office, the Department of Industrial Relations contends that the provision of Section 1.220 of the School Code which says "no person, firm or corporation shall employ, suffer or permit any minor under the age of 16 years to work" without a permit as provided in the code, and a similar provision in the Labor Code, means that newsboys, as well as other minors, shall not be suffered or permitted to work without such permits, whether they are called "little merchants" or not. The School Code does not allow the issuance of permits to children under 14 years of age to work during the school year or to those under 12 years of age during the vacations or on school holidays. A test case will undoubtedly come before the courts to settle this question.

This bill would reduce to 10 years the age at which children would be allowed to sell newspapers and periodicals. The bill provides that a boy over 10 years of age may sell or distribute newspapers, periodicals or circulars without receiving any consent from the Labor Commissioner or any school work permit from the school authorities. The bill does provide that when a minor is first supplied with newspapers or periodicals, the person so supplying him shall give written notice thereof to the person now authorized to issue school work permits under existing law, and to give a card containing the notice to the minor or his parent or guardian, but the bill does not provide for the issuance of any school or Labor Commissioner's permit.

The bill further provides that the person notified is in turn required to notify the minor's school principal, who is then required

to check the minor's health and school record. Whenever either of the latter is certified by the school physician or other school authority to be adversely affected by the minor's outside work, a certificate to that effect is required to be delivered to the minor's parent or guardian and to the person who supplied the newspapers, periodicals or circulars. If the parent or guardian fails to have the minor cease working within five days, the person supplying him with papers, etc., must cease doing so.

I am convinced that those provisions of this bill in practical operation would supply little, if any, protection to the child. As for the protection afforded by the requirement that the consent of the parent be obtained, that, it is regrettable to state, in many instances would afford no protection. All Child Labor Laws have been enacted because parents from economic necessity or demoralization have permitted their children to do work dangerous to their life, destructive of their health or injurious to their moral well being. The working of children of tender years in the mines, mills and factories, which is now prohibited in most States, was done with the consent of parents.

Under this bill no permit of any kind is required. The minor is given the papers to sell, and unless affirmative action to prevent it is taken by the school authorities, according to the impractical procedure specified in the bill the child can continue to sell papers. It is likely that with the difficulties placed in his way by this bill a school principal could not effectively prevent this kind of child labor where it should not obtain. Assuming that school principals should feel free to tell the parent or the publisher this or that child must stop the work he is doing, I do not believe that the cursory examination that the principal could give the child's health and school record under this bill would afford sufficient insight into whether the child was being harmed by the work. A large number of things could injure the child for the rest of his life which would never show on the school records. They would not show the harm done by his trudging in and out of saloons, beer halls and places of prostitution or his away-from-home associations with undesirable persons. They do not show, and they will not protect him from the dangers of traffic into which his immature judgment and discretion may lead him.

I am well aware that there are times and places when and where children of not too tender years may sell newspapers without injury and even with benefit to themselves, but such employments may occur under the administration of the present school and labor codes.

Without going into further detail, I must say that the provisions of this bill seem to be regressive and wholly ineffective to protect children. The people of the State of California have been proud of the success of their efforts to safeguard women and children in industry, as well as of the progressiveness of our laws for the protection of all people who labor. If our legislation on these subjects should prove to be invalid or ineffective, we should not enact cumbersome, impractical or weak measures to supplant them, but we should enact measures which will clearly and effectively extend the needed protection. If there is a doubt as to whether children employed in selling newspapers and periodicals are not fully protected by existing Child Labor Laws, on

the theory that they are independent contractors, the law should be amended to specifically include them and remove that doubt.

The experiences of those who have studied child labor and child labor legislation throughout the Nation has shown that, in addition to rigid prohibitions against children of tender years engaging in labor, the laws should establish a system whereby the school authorities issue permits to those children who should be allowed to work, so that the check as to age, consent of the parent, nature of the occupation, and the effect on the child could be made before the child is permitted to work.

Aside from the fact that this bill would prevent the enforcement of laws now on our statute books which seem adequate and substitute a law establishing the policy that children over 10 years of age should work and providing no effective method for their protection, a serious question of ambiguity arises under this bill. From the use of the word "hereafter" in the first sentence of Section 3, the bill, literally read, is easily susceptible of an interpretation that its provisions would not affect minors already engaged in selling newspapers or periodicals. Such interpretation could follow from the fact that this is a criminal statute, which must be strictly construed. I am sure that it was not the intent of the Legislature to so limit the effect of the bill, but from the face of the bill, as I have said, it could be so interpreted.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

ALIEN DOCTORS

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, May 19, 1941

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: I am returning herewith without my signature, Assembly Bill No. 1475, entitled "An act to amend Section 2193 of the Business and Professions Code, relating to applications for a physician's and surgeon's certificate by graduates of foreign medical schools."

My objections to this bill are as follows:

This bill adds to Section 2193 of the Business and Professions Code, which sets forth the evidence which an applicant to take an examination for a license as a physician and surgeon must furnish if his application is based on a diploma issued to him by a foreign medical school approved by the Board of Medical Examiners, except a Canadian school, the requirement that he must furnish evidence that

"If the applicant is not a citizen of the United States, the country in which he has been licensed to practice medicine and surgery will admit to practice therein citizens of the United States upon proof of prior admission to practice medicine and surgery in some State of the United States or upon proof of matters similar to those required in this section for graduates of foreign medical schools."

The bill also provides that this requirement shall not apply to any person who, on March 31, 1941, was registered as an interne under Chapter 5 of Division 2 of the Business and Professions Code.

Only a very few, if any, foreign countries admit citizens of the United States to practice medicine, and so the practical effect of this bill would be that it would exclude any person from taking an examination for a license to practice medicine in this State who was not a citizen of the United States, unless he was registered as an interne before March 31, 1941. The bill, therefore, is in effect identical with Assembly Bill No. 449 of the 1939 Session of the Legislature, which was refused executive approval.

Practically all of the physicians who, within the next few years, may wish to qualify for licenses to practice medicine under the existing provisions of California laws, will be men or women forced to flee from their homes because of their race or because their political beliefs differ from those of the persons who now control most of Europe. They will be persons who are lawfully admitted to the United States and who will wish to earn their livings by practicing the profession for which they spent years of preparation and in many cases in which they spent years of practice. Some of them may be persons renowned in the practice of medicine. Under existing laws, before such persons can take the examination which the graduates of American, Canadian or foreign

schools must take in order to receive a license in this State, each such person must show that:

(a) He has completed a resident course of professional instruction in an approved medical school or schools equivalent to that required for a physician and surgeon applicant who is a citizen.

(b) Subsequent thereto, he has had issued to him by an approved medical school, a medical diploma, as evidence of the completion of the course of medical instruction required of a citizen applicant.

(c) He has been admitted or licensed to practice medicine and surgery in the country wherein is located the institution in which he has completed the resident courses of professional instruction required under (a) and (b).

(d) He has completed either the senior or fourth or final year in an approved medical school in the United States, or in lieu of this, that he has served at least one year in residence in a hospital located in the United States and approved by the board for training of internes.

Several days ago, I approved Assembly Bill No. 503, which became Chapter 220 of the Statutes of 1941, which amended our laws so that a foreign physician or surgeon will not hereafter be given the credit of 1 per cent upon his general average in the California examination for each year of actual licensed practice since his graduation, which credit is granted to physicians who have practiced in other States of the United States or in Canada who wish to practice in California. In other words, a foreign physician must have the equivalent of all the educational requirements of the graduates of United States approved medical schools, he must take the same examination, and pass with the same required grades, after having served a year as an interne in a United States hospital or completed either the senior or fourth or final year in an approved medical school of the United States. There seems no good reason at this time why, in addition to these requirements, he must be a citizen of the United States.

As I have said, most of the foreign physicians who will apply for licenses will be persons who have been forced to flee from their own countries, that is, refugees. They obviously will not have the five-year residence in the United States which is required before they can become citizens. It was doubtful if any of them have been or will be allowed to escape to America with any money or other possessions. Why shouldn't they be allowed to earn their livings by practicing medicine, if by our own standards we believe they are competent to do so? It would seem to be a needless waste of human knowledge and experience to require them to wait five years during which they would have to forego the practice of their profession. It is possible that a trained physician who would be obliged to enter into other occupations for five years could never resume the practice of his profession, and this would be a still greater waste of human services. I do not think that we should thus deal with human beings, especially those who have just undergone the pain of being driven from their homes, the association of their friends, and being stripped of their possessions.

I am told by some that we must put up this bar in order to protect California physicians; that is, they state that the profession is now overcrowded in California. Yet, on the other hand, I hear reports of the dearth of medical services for those who need them and of an impending scarcity of physicians because of National defense needs and I have lately been requested to do all I could to help secure an exemption of medical students from the Selective Service program on the ground that there will soon be a scarcity of physicians and that we must hasten the training of students to fill the defense needs for physicians. Between these conflicting claims of a shortage of physicians and the possibility of overcrowding of the profession, if we must err, it should be on the side of making the services of these additional physicians available. I have no sympathy for the alien who comes to America and partakes of the benefits of our country and way of living and who refuses to become a citizen and share in the duties and responsibilities of citizenship, but I do not think that at this time we should add the requirements of citizenship to the other requirements of a physician.

If one looks at this bill as simply a reciprocity statute, aimed to force other countries to open their doors to American physicians, it takes little consideration to reach the conclusion that at this time under the present condition of world affairs such a statute would be absolutely fruitless. In the first place, very few American physicians at this time wish to go abroad to practice their profession. Assuming, however, that they should wish to do so, can any one imagine that the rulers of Europe will permit American physicians to practice there, because unless they do so, the refugee physicians cannot practice in the State of California until they have stayed here five years and become citizens? In a peaceful world, it is conceivable that a reciprocity statute as to foreign countries might work in the same manner that the reciprocity statutes work among the States of the United States, so that a physician, as long as he was competent, might use his services wherever there was need for them, but it is doubtful if such reciprocity statutes will work internationally. Therefore, even if the laws of some countries do not permit American physicians to practice in such countries, should we model our laws after theirs; do we have to retaliate? It surely is not within our American traditions to accept the rulings of other nations as models of our own, and no purpose would be served at this time by enacting a reciprocity statute such as this is assumed to be.

Lastly, if it is believed that a reciprocity statute is necessary in order to open up to American physicians the way to practice in other countries, then such a reciprocity statute should be drafted so that the physicians from other countries will be admitted in California on exactly the same basis that California physicians are admitted in those countries. A plain reading of this bill shows that it does not do this. Instead, it places a higher standard for the foreign physicians than we should have the foreign country establish for California physicians. Section 2193 of the Business and Professions Code sets forth the requirements an applicant must have before he will be allowed to take the examination in California. Under the bill the applicant must show that "the country in which he has been licensed to practice medicine

will admit to practice therein citizens of the United States upon proof of''

(1) Prior admission to practice in some State of the United States, or

(2) Matters similar to the requirements of Section 2193.

California does not admit to practice an applicant from a foreign State upon proof of matters required in Section 2193, it only permits him to take an examination, so this bill would result in a statute which would not be truly reciprocal. Such may not have been the intention of the proponents of this bill, but this interpretation follows from the wording of the bill.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

HOT CARGO AND SECONDARY BOYCOTT

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, May 27, 1941

*To the Honorable Members of the Senate
Sacramento, California*

GREETINGS: I am returning herewith, without my signature, Senate Bill No. 877, entitled: "An act to add Chapter 8, comprising Sections 1131, 1132, 1133, 1134, 1135 and 1136 to Part 3, Division 2 of the Labor Code, relating to hot cargo and secondary boycotts."

My objections to this bill are found in the provisions of the Constitution of the United States and of the State of California, and in my oath of office to support them.

According to my understanding of those provisions and their interpretation by the Supreme Court of the United States and the Supreme Court of this State, I could not approve this bill without violating that oath.

"Hot Cargo" declared by this bill to be unlawful is defined to mean "any combination or agreement resulting in a refusal by employees to handle goods or to perform any services for their employer because of a dispute between some other employer and his employees or a labor organization or any combination or agreement resulting in a refusal by employers to handle goods or perform any services for another employer because of an agreement between such other employer and his employees or a labor organization."

"Secondary Boycott" also declared by this bill to be unlawful is defined to mean "Any combination or agreement to cease performing any services for any employer or to cause any loss or injury to such employer, or to his employees, for the purpose of inducing or compelling such employer to refrain from doing business with, or handling the products of any other employer, because of a dispute between the latter and his employees or a labor organization, or any combination or agreement to cease performing or to cause any employer to cease performing any services for another employer, or to cause any loss or injury to such other employer, or to his employees, for the purpose of inducing or compelling such other employer to refrain from doing business with, or handling the products of any other employer, because of an agreement between the latter and his employees or a labor organization."

In other words, this bill declares it unlawful for employees by agreement among them to cease work for an employer if that refusal is because of a dispute between another employer and his employees, and declares it unlawful for employees to cease work for any employer for the purpose of inducing such employer to refrain from doing business with or handling the products of any other employer because of a dispute or an agreement between the latter and his employees, regardless of their interest in or what may be the effect of any such circumstance upon their rights and the rights of other employees to accomplish

effective collective bargaining; and, as stated by the Legislative Counsel in his report, the language of the bill defining "secondary boycott" clearly includes peaceful picketing as being unlawful unless narrowly limited to a place where there is a direct employer-employee relationship.

The Supreme Court of the United States has held such laws unconstitutional in that they violate rights guaranteed by the First and Fourteenth Amendments to the Constitution of the United States; rights which are also guaranteed by Sections 9 and 10 of Article I of the Constitution of California. The Legislative Counsel's opinion says:

"The action of the United States Supreme Court in these two cases is persuasive to the effect that freedom of speech is not to be limited by a State's declaration of whether its purpose is lawful. It seems to be the court's view that peaceful picketing is identified with the constitutional guaranty of free speech and is to be judged according to the principles governing the exercise of that right. It can not be narrowly restricted by a State's declaration of what it deems to be the proper field for its exercise. It seems to us that in broadly outlawing secondary picketing, whether peaceful or not, S. B. 877 goes too far and is unconstitutional in that respect." (Citing *American Federation of Labor v. Swing* (1941), 61 Supreme Court 568; *Journeyman etc. v. Miller's, Inc.* (1941), 61 Supreme Court 732.)

I am keenly and sympathetically aware of the feelings of individual employers who feel that instances in the operation of the secondary boycott or "hot cargo" pressure of organized employees of another employer unjustly affect and injure their own normal operations, because they are not directly parties to that other employer's dispute with his employees.

But the answer to this complaint is found in the following language of the Supreme Court of California, 100 Cal. Dec., p. 407:

"although the respondent argues that a person secondarily boycotted is an innocent third party caught between the upper and lower millstones of an industrial dispute in which he has no interest, this is clearly not correct. One who sells a product of a merchant or manufacturer who is engaged in a labor dispute with his employees, inescapably becomes an ally of the employer. He has a direct unity of interest with the one being struck. By providing an outlet for that product, he enables the employer to maintain the working conditions against which labor is protesting. And unless the union is allowed to follow the product to the place where it is sold and to ask the public by peaceful representations to refrain from purchasing it, the workers have no real opportunity to tell their story to those whose interest or lack of interest will, in large measure, determine the issues in dispute. (*Goldfinger v. Feinbuch*, 276 N. Y. 281, 11 N. E. (2d) 910.)"

It is inevitable, in the maintenance of the civil liberties of our democracy involved in the economic struggle in the field of industry and commerce where workers and employers exercise their collective economic power for the attainment of what they consider to be their just

rights, that incidental hardship may be suffered by individuals only indirectly involved and which they are powerless to prevent. But fundamental Constitutional rights and civil liberties which our country is now preparing to defend against the enemies of democracy can not be set aside in order to avoid those incidental hardships. The way must and undoubtedly will be found in adjustments which will necessarily evolve from the preservation of those rights.

Everyone, even the proponents of this bill, will agree that the right of employees to unionize and to strike and to peacefully picket in the enforcement of their rights to bargain collectively are just and fundamental rights of our American system; yet this bill would destroy the effective, peaceful and orderly exercise of those rights. In fact, it goes further and denies the right of employees to quit work for any of the reasons mentioned in the bill. It says continuance at work under such circumstances is compulsory. I have not found any statute or ordinance of any state or municipality which has ever gone so far in attempts to defeat or circumscribe the rights of organized workers. This bill says to a union of workers engaged in an economic struggle with their employer to better their wages or working conditions, "You can not ask other employees to assist you in your struggle." And it says to a union of other employees, "You must continue to work on materials furnished by another plant in which that struggle exists, and you may be sent to jail if you fail to continue at work on those materials, although by so doing you will aid in destroying your own union." (254 U. S. 443.)

I believe that most Americans, without looking at any law books, would say that under our American system of government and the rights guaranteed by our Constitution, if a man does not want to work, he can not be made to do so whatever his reasons; that he can use this right to quit work for any reason he sees fit, either individually or collectively; that is, he can quit his job alone, or he can walk out with other employees of a similar mind.

So analyzed, I believe the average American will agree that no matter what the purpose, or how some people may have abused their right to quit work or to strike, you can't make a free man work in private enterprise, and that therefore such a bill as this would violate our fundamental rights of liberty and freedom from involuntary servitude.

In the case of *Thornhill vs. Alabama*, 60 Supreme Court Reports 736, is the final and conclusive determination by our highest court of the unconstitutionality of a bill such as this. In that case the court held as follows (pages 744-5):

"The freedom of speech and of the press guaranteed by the Constitution embraces at the least the liberty to discuss publicly and truthfully all matters of public concern without previous restraint or fear of subsequent punishment. . . .

"In the circumstances of our times the dissemination of information concerning the facts of a labor dispute must be regarded as within that area of free discussion that is guaranteed by the Constitution. *Hague v. C. I. O.*, 307 U. S. 496, 59 S. Ct. 954, 83 L. Ed. 1423; *Schneider v. State*, 308, U. S. 147, 155, 162, 163, 60 S. Ct. 146, 151, 84 L. Ed. ---. See *Senn v. Tile Layers Union*, 301 U. S. 468, 478, 57 S. Ct. 857, 862, 81 L. Ed. 1229. It is recognized

now that satisfactory hours and wages and working conditions in industry and a bargaining position which makes these possible have an importance which is not less than the interests of those in the business or industry indirectly concerned. The health of the present generation and of those as yet unborn may depend on these matters, and the practices in a single factory may have economic repercussions upon a whole region and affect widespread systems of marketing. The merest glance at State and Federal legislation on the subject demonstrates the force of the argument that labor relations are not matters of mere local or private concern. Free discussion concerning the conditions in industry and the causes of labor disputes appears to us indispensable to the effective and intelligent use of the processes of popular Government to shape the destiny of modern industrial society. The issues raised by regulations, such as are challenged here, infringing upon the right of employees effectively to inform the public of the facts of a labor dispute are part of this larger problem. We concur in the observations of Mr. Justice Brandeis, speaking for the Court in *Senn's case* (301 U. S. at page 478, 57 S. Ct. at page 862, 81 L. Ed. 1229): 'Members of a union might, without special statutory authorization by a State, make known the facts of a labor dispute, for freedom of speech is guaranteed by the Federal Constitution.' "

In the case of *American Federation of Labor v. Swing*, Justice Frankfurter placed even greater emphasis upon the inviolability of the right of "peaceful picketing of peaceful persuasion" in the following language, which in my opinion is determinative that this bill is unconstitutional:

"We are asked to sustain a decree which for purposes of this case asserts as the common law of a State that there can be no "peaceful picketing or peaceful persuasion" in relation to any dispute between an employer and a trade union unless the employer's own employees are in controversy with him.

"Such a ban of free communication is inconsistent with the guarantee of freedom of speech. That a State has ample power to regulate the local problems thrown up by modern industry and to preserve the peace is axiomatic. But not even these essential powers are unfettered by the requirements of the Bill of Rights. The scope of the Fourteenth Amendment is not confined by the notion of a particular State regarding the wise limits of an injunction in an industrial dispute, whether those limits be defined by statute or by the judicial organ of the State. A State can not exclude workmen from peacefully exercising the right of free communication by drawing the circle of economic competition between employers and workers so small as to contain only an employer and those directly employed by him. The interdependence of economic interest of all engaged in the same industry has become a commonplace. *American Foundries v. Tri-City Council*, 257 U. S. 184, 209. The right of free communication can not therefore be mutilated by denying it to workers, in a dispute with an employer, even though they are not in his employ. Communication by such employees of the facts of a dispute, deemed by them to be relevant

to their interests, can no more be barred because of concern for the economic interests against which they are seeking to enlist public opinion than could the utterance protected in Thornhill's case. "Members of a union might, without special statutory authorization by a State, make known the facts of a labor dispute, for freedom of speech is guaranteed by the Federal Constitution." *Senn v. Tile Layers Union*, 301 U. S. 468, 478."

Since the United States Supreme Court handed down these and like decisions, State courts of last resort in several States have reversed their former decisions in conflict therewith.

In the case of *E. L. Kerns Co. vs. Landgraf et al.*, decided by the New Jersey Court of Errors and Appeals on December 12, 1940, the court held that it was lawful for the union to distribute circulars and cards among customers, and prospective customers of the employer, informing them that such employer's products were nonunion made.

The court in that case reviewed the various decisions of the United States Supreme Court on the subject, and upheld the right of a union to compete with nonunion concerns by means of informing the public that such concerns were producing goods made by nonunion workers. In that connection the court had the following to say:

"If a merchant may freely, fairly, honestly and peacefully compete with other merchants, as is the common daily practice, 'by means of advertisements in the press, (or) by circulars, or by his window display' or by radio, so a union may in like manner, here by circulars, compete with nonunion concerns for customers. Such competition violates no rule of common law or otherwise; nor does it trench upon any provision of either our State or Federal Constitution. Cf. *Senn v. Tile Layers &c. Union*, 301 U. S. 468, 482, 81 L. Ed. 1229, 1238. (For the right generally to distribute circulars see, *Loveell v. Griffin*, 303 U. S. 444, 82 L. Ed. 949; *Schneider v. New Jersey*, 308 U. S. 147 (5 LRR Man. 659); *McLean v. Mackay*, 124 N. J. L. 91, 10 A. 2d 733). If injury results from the stated competition it is *damnum absque injuria*.

"(Free Speech and Press)"

"Additionally, we are of the opinion, and so hold, that, under the circumstances exhibited in the instant case, the restraint imposed constitutes an infringement of the union's right of freedom of speech and freedom of press both under our State and Federal Constitutions, notwithstanding the fact that there was no strike nor dispute between complainant and its employees. For an analogy in principle compare, *Thornhill v. Alabama*, supra; *Carlson v. Shasta County, California*, Adv. Opinions, U. S. Sup. Ct. Vol. 84, No. 13, p. 668 (6 LRR 318)."

The Kentucky Court of Appeals in the recent case of *Blanford et al. v. Press Publishing Company*, decided February 28, 1941, held secondary boycott as lawful and as an exercise of constitutional right of freedom of speech and of the press. It reviewed the recent decisions of the Supreme Court on the subject and held in effect that the U. S.

Supreme Court being the final interpreter of the Federal Constitution the State court must follow its decisions. In this connection it held:

"Since the Supreme Court is the final interpreter of the Federal Constitution, no distinction may hereafter be drawn by a state court between the acts which may be committed by employees in furtherance of their interests and those which may be committed by nonemployee members of a labor union in the furtherance of its interests. Hence, members of any labor union, so long as they refrain from acts of violence, may not be enjoined from picketing the premises of any person against whom the union has a grievance, or from conducting a boycott against his business, notwithstanding the consequences to him, his accord with his own employees, or his inability to grant the demands made upon him by the union.

"Since the appellants are members of bona fide labor unions, and, in attempting to compel the unionization of appellee's printing establishment, did not resort to acts of violence, it is wholly immaterial that by advertisements and personal interviews in which the facts were stated and consequences intimated, they induced many of appellee's patrons to withhold their patronage. Appellants were exercising rights guaranteed to them by the Constitution and construed by the Supreme Court and lesser courts are powerless to afford appellee any relief."

The last expression of the Supreme Court of California on the subject is the case of *McKay v. Retail Automobile Salesmen's Union*, 100 Cal. Dec. 347. The Supreme Court in that case reviewed nearly all of the previous decisions of that court, pointing out that workmen may associate together and exert various forms of economic pressure upon employers. It held (at page 352) as lawful the right to strike, to boycott, primarily and secondarily, and to picket, using the following language and references:

"Concerning the means used, it must be taken as settled in this State, that workmen may associate together and exert various forms of economic pressure upon employers, provided they act peaceably and honestly. The conventional means of exerting this economic pressure which have been held lawful are the strike (*Pierce v. Stablemen's Union*, (1909) 156 Cal. 70; *Parkinson v. Building Trades Council*, (1908) 154 Cal. 581; *So. Calif. Iron & Steel Co. v. Amalgamated Assn.*, (1921) 186 Cal. 604; *Lisse v. Local Union*, (1935) 2 Cal. (2d) 312); the boycott, both primary and secondary (*Parkinson v. Building Trades Council*, *supra*; *Pierce v. Stablemen's Union*, *supra*; *So. Calif. Iron & Steel Co. v. Amalgamated Assn.*, *supra*); and the picket (*Lisse v. Local Union*, *supra*; *In re Lyons*, 27 Cal. App. 182)."

The right to picket was held by the court in that case as one guaranteed by the Constitution as an incident of freedom of speech. In that connection the court said further (page 352):

"It is true that the early cases in the state intimated that picketing in any form was illegal (*Rosenberg v. Retail Worker's Assn.*, 39 Cal. App. 67 (1918); *Pierce v. Stablemen's Union*,

supra), and that *Moore v. Cook's Union*, 39 Cal. App. 538, held that peaceful picketing was per se unlawful. However, those conclusions were expressly renounced by this court in *Lisse v. Local Union*, supra. Indeed, the modern trend of decision clearly indicates that the right to picket peacefully and truthfully is one of organized labor's lawful means of advertising its grievances to the public, and as such is guaranteed by the Constitution as an incident of freedom of speech. (*Carlson v. California*, 84 L. Ed. 668 (1940); *Thornhill v. Alabama*, 84 L. Ed. 659 (1940; In re Lyons supra (1938); *People v. Harris*, 91 Pac. (2d) 989 (Colo. 1939); 48 Yale L. J. 308, 312 (1938).) But the law clearly requires that concerted action by union workers be peaceful. Acts of violence or 'acts amounting to physical intimidation' will be enjoined. (*Goldberg etc. Co. v. Stablemen's Union*, 149 Cal. 429 (1906); *So. Calif. Iron & Steel Co. v. Amalgamated Assn.*, supra; *Lisse v. Local Union*, supra.)"

In the case of *In re Lyons*, 27 Cal. App. (2d) 293, the first expression was made by our Appellate Court that the right to picket was a constitutional right that could be exercised not only by employees but by anyone else. In that case the right of citizens to picket the market because it would not close on Sundays was upheld. The court upheld this universal right of picketing in the following language:

"We can not see how the right to peacefully picket, under the guaranty of free speech, could be confined to cases in which there exists a dispute between an employer and organized labor over hours or conditions of employment of nonunion men and not extended to a dispute between a business man and any citizen or group of citizens who may differ with him on a question of business policy. The guaranty of the right of free speech is general and extends to every class or group of citizens."

The right of boycott and picketing, being a Constitutional right, can not be enjoined by any legislative enactment.

It should be pointed out that this attempt to restrict this fundamental constitutional right is only limited to the activities of workers and labor organizations, or persons who would assist them. As such, it is class legislation. The bill makes it unlawful for an employee to refuse to handle goods because of a dispute between another employer and his employees, or a labor organization. The same employee would have the right to refuse to handle goods because it was produced by slave labor, child labor, or under any other circumstance which that person thought in the light of his reasoning and his conscience was wrong, and as such, to be discouraged.

The bill makes it unlawful for a person to bring economic pressure on an employer in an effort to induce such employer to refrain from doing business with, or handling the products of any other employer because of a dispute between the latter and his employees, but would permit any group of citizens to exercise the same economic coercion on that employer because he sells Japanese goods.

The proponents of the bill seem oblivious to the fact that there is a unity of interest among all workers. This fact was recognized by Justice Taft years ago in the case of *American Foundries vs. Tri-City*

Central Trades Council, 257 U. S. Supreme Court Reports (at p. 209), in the following language:

"Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body, in order, by this inconvenience, to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has, in many years, not been denied by any court. The strike became a lawful economic struggle or competition between employer and employees as to the share or division between them of the joint product of labor and capital. To render this combination at all effective, employees must make their combination extend beyond one shop. It is helpful to have as many as may be in the same trade in the same community united, because, in the competition between employers, they are bound to be affected by the standard of wages of their trade in the neighborhood. Therefore, they may use all lawful propaganda to enlarge their membership, and especially among those whose labor at lower wages will injure their whole guild."

They overlooked the fact that the standard of wages and working conditions prevailing in one plant, or locality, may be seriously jeopardized by the payment of lower wages by another employer, and especially is this true if it is in the same industry. Workers receiving fair wages from employers who want to maintain the American standards of living are duty-bound to protect themselves and that employer from the unfair competition from other chiseling and cut-throat competitors, by means of boycott and picketing.

To hold otherwise, and to compel a worker, or an employer from exercising his fundamental right to purchase, or work on any material which they feel would seriously jeopardize the employer's business, and the standards of wages and working conditions established in his business, would be to compel such employer and his employees to destroy themselves.

However, the proponents of this bill do seem to realize the force of the foregoing objections as evidenced by its provision, inserted by way of amendment, that it is to remain in effect only during the defense emergency.

If constitutional guarantees are to be set aside for the safety of the Nation in war or in any of the conditions of National emergency, it is not for the Legislature of any State to do so. That is the function of the Congress of the United States, in the exercise of its power to

provide for the common defense, or of the President under powers delegated to him by Congress. Nor should any temporary suspension of constitutional rights be confined to workers in private industries, whether they be National defense industries or all other industries to which this bill would apply. No such action was taken even by the National Government in the first World War. It was not considered expedient to do so. President Wilson, in 1917, said:

“The highest and best form of efficiency is the spontaneous cooperation of free people.”

The leaders, legislative and executive, of this Nation in 1917, when it was engaged in the first World War, agreed that the rights of labor should be preserved and protected, not only because of the dictates of human decency, but because high efficiency in industrial production can be secured in no other way.

Exigencies for National safety in time of war require the conscription of both capital and labor, but it is not for the Legislature of any one State to do so as to either. But that is not the motive behind this bill. It is, in its essence, the same measure as Proposition No. 1, placed by certain employing interests on the 1938 ballot of California's general election in November of that year, and which the people overwhelmingly defeated.

As to the needs for any constitutional legislation to protect defense industries and maintain peaceful industrial relations in our State, we now have ample laws against violence or disorderly conduct, laws for the protection of the rights of persons and property. They should be thoroughly and unrelentingly enforced, whether against members of labor unions or other groups.

I signed Senate Bill 180, known as the “Anti-Sabotage Bill” which provides that whoever intentionally and maliciously destroys, impairs, injures, interferes or tampers with real or personal property with reasonable grounds to believe that such act will hinder, delay or interfere with the preparation of the United States for defense or for war, shall be guilty of a felony. That bill provided, and it is now the law, that portions of the public highways could be closed to public use if the property abutting thereon is used in the manufacture of products to be used in National defense, if the Highway Commissioner decided that the public safety, the safety of the property so required; and I believe that these provisions will go a long way towards preventing any picketing designed to impede the National defense. One must also remember that picketing in any case to be lawful must be peaceful, and that if the picketing is carried on with force or violence or in any way in an unlawful manner, it is the duty of the law enforcement officers and the courts under the present law to prevent such picketing from going beyond the lawful limits. Too often the public mind is given the picture of lawful picketing as embracing the right to obstruct highways, to waylay workers, to barricade entrances to plants and like forcible and unlawful measures, but the fact of the matter is that such acts are at present unlawful and may be restrained and prevented under the present law.

Peaceful industrial relations are desired by all loyal and right thinking citizens. But this can not be accomplished by class legisla-

tion, such as this bill, which would deprive organized groups of workers of their fundamental economic and constitutional rights.

If this bill were to go on our Statute books, operations under it would, in my humble judgment, foment unprecedented industrial strife in our State, interrupting beyond any previous experience the normal course of industry and commerce. I fear that injunctions issued under it would be disrespected by organized workers affected as unconstitutional and discriminating, and dislocations in industrial relations would be greatly increased.

It would delay the complete realization of the fundamental rights of employees and the responsibilities which go with these rights. Our need is for better understanding between employers and employees of their rights and responsibilities, and closer cooperation for the betterment of both and for service to the public; mediation and conciliation services, instead of laws like this bill, which would only agitate and arouse bitterness and antagonism between labor and management.

I am thoroughly aware of the urgency which faces California labor, industry and agriculture in fulfilling their commitments and their patriotic duties in the National Defense Program.

Lockouts and strikes, particularly in the defense industries, seriously conflict with the National purpose to rapidly and adequately turn out defense armaments. The security of the Nation can not and should not be jeopardized by the exercise of these economic weapons, and the citizens of California can not be expected, at this juncture in the Nation's affairs, to look with favor upon stoppages in defense preparedness work over disputes between labor and management.

The President has called for national unity. He has asked labor and management in defense industries to accept the recommendations of the National Board of Conciliation in the settlement of their differences and to keep all work going. It is my conviction that California management and labor will respond patriotically to that duty, and I shall continue my efforts to make that response complete throughout the State.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

UNEMPLOYMENT INSURANCE

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, June 9, 1941

*To the Honorable Members of the Assembly
Sacramento, California*

GREETINGS: I am returning herewith, without my signature, Assembly Bill No. 560 entitled:

“An act to amend Sections 2, 7, 11, 12, 13, 15, 41, 44.2, 45, 45.9, 45.10, 52.2, 53, 54, 55, 56, 57, 57.5, 61, 66, 75, 91, 92 and 94, to amend and renumber Section 70, and to repeal Sections 47, 48, 49, 50, 51, 58, 67, 68, 69, 71 and 72 of, and to add Sections 7.1, 7.2, 23.1, 28, 67, 68, 69, 70, 71 and 73 to, the Unemployment Insurance Act, relating to a system of unemployment insurance.”

My objections to this bill are generally that instead of improving the present law, it would cause recession from progress made and obstruct the further development of the California unemployment compensation program in carrying out the general social policy of our law and the Federal Social Security Act. It would jeopardize or interrupt administrative grants from the Federal Government and work injury both to employers and employees directly concerned in its equitable application and administration. Both from a social standpoint and from the standpoint of the general taxpayer who bears the burden of unemployment relief, this is not a good bill.

It would modify the benefit rights of the working people of this State under the existing law in a manner so drastically restrictive and unjust as to defeat to a measurable degree the primary purposes of our unemployment insurance legislation; it would make wholly inadequate provision for protecting the benefit rights of workers inducted into military service; it would needlessly encumber administration of the act with detailed, rigid, procedural provisions which would be costly and burdensome to claimants, employers and the department; and it does not conform to the mandatory requirements of the reciprocal Federal legislation administered by the Social Security Board.

It is obvious that the provisions of this bill are designed to deny benefits through harsh disqualifications to many deserving unemployed workers who themselves have contributed to the fund and for whom unemployment insurance was clearly intended, and by that means to accomplish an avoidance or reduction of contribution requirements. Nowhere in the bill can be found any provision liberalizing the present law or extending its scope to the thousands of working people now excluded from its beneficent protection. On the contrary, the bill provides for new exclusions from coverage, reduces benefits to partially employed persons, imposes severe and unjust penalties and disqualifications.

Many of the provisions of the bill, urged as reformations of alleged abuses of the law, actually are designed to deny millions of dollars in unemployment benefits payable under the present law to honest working

people during the periods when they are unable to find employment, notwithstanding the fact that their earnings have contributed to the Unemployment Insurance Fund. Of this character are the disqualification provisions proposed in Section 20 of the bill, which would have a far-reaching effect in reducing benefit payments. The Social Security Board, in a letter from Oscar M. Powell, Executive Director of the board, has stated that: "These provisions are the most severe that have ever been brought to the attention of the Bureau of Employment Security and seem to be incompatible with unemployment compensation principles. Under these provisions claimants would be disqualified without sufficient cause; second, unusually severe penalties would be imposed as 'disqualifications' and, third, these penalties would operate arbitrarily with little relation to the circumstances leading to the individual's disqualifications."

Typical examples, illustrative of the harsh and unjust consequences which would be visited upon thousands of claimants were these provisions adopted, are easily discerned. Many employees, who have been honest laborers over many years of service and who have contributed to the Unemployment Fund, must occasionally surrender their jobs for compelling personal reasons, such as serious illness in their families. Others may quit one job to take another which they consider better or of longer duration. In either of these cases, the individual having returned to work may later suffer unemployment due to a plant shut-down, shortage of materials, loss of business, etc. In all such cases the individual would not be able to draw any unemployment insurance until at least 15 months after he left his employment, notwithstanding his willingness and ability to work. In none of these cases can the individual's unemployment be ascribed to his "fault," nor can he be regarded as a malingerer on the fund.

The act should provide for a reasonable deferment of benefits to prevent malingering, but disqualifications of this severity would be an injustice to tens of thousands of honest working people who become unemployed although able and willing to work.

This bill's amendment of Section 57(a) would also disqualify thousands of working people whose unemployment is caused by the existence of a trade dispute but who are innocent bystanders, in no way connected with the dispute. It would also deny unemployment insurance to workers in search of steady employment who in good faith decline to accept an offer of temporary work to avoid losing an opportunity for permanent employment.

A new section, set forth in Section 32 of the bill, purports to provide protection for individuals who enlist or are inducted into the armed services. But in reality this provision does not afford protection for many inducted into military service. The provision contains restrictions and discriminations which would have the effect of limiting the protection to a fraction of those who are rightfully entitled to it. Under the definition of "military worker" set forth in this provision, only those individuals who were engaged in covered "employment" at the time of induction will have their benefit rights preserved, and individuals who may have been unemployed at the time of induction or who may have been working in "uncovered work" are not so protected. Further, the provision that: "Within 60 days after the

effective date of this section, or within 60 days after the commencement of such military service, whichever is the later date, a worker may serve upon the commission a notice to the effect that he desires to be classified as a military worker," clearly means that only if this notice is given are the worker's benefit rights computed and preserved for him. Undoubtedly many, if not most, of these workers would fail to give this notice because of lack of knowledge of the necessity therefor, and would consequently lose the benefit of the protection which the section purports to offer to them. Furthermore, the Department of Employment advises me that this notice is wholly unnecessary.

The men who have enlisted or have been inducted into the military service under the draft laws make sacrifices which entitled them to a just measure of protection in their accrued rights under the unemployment compensation law, through provisions which are not hedged by unreasonable restrictions which would result in their defeating those rights. An amendment should be made to our law as will fully preserve to those who have been called to military service all rights which they possessed at the time of their induction upon the basis of their past earnings and contributions to the Unemployment Fund. I earnestly recommend to the Legislature the enactment at this session of such amendment.

Certain of the proposed amendments set forth in the bill conflict with mandatory requirements of the Federal Social Security Act and Internal Revenue Code, thus jeopardizing Federal grants of funds to finance the administration of the State Unemployment Compensation Law, involving a loss to employers of this State of their normal and additional tax credit offset rights under the Federal Unemployment Tax Act, and a disorganization of the employment service. Upon the passage of this bill, I requested the Federal Social Security Board for an authoritative statement, with particular reference to the conformity of the provisions of the bill with the requirements and the social purposes of the Federal legislation. The Social Security Board has answered this request in a letter, dated June 3, 1941, and a telegram, dated June 4, 1941, copies of which answers are attached hereto for your information.

As stated by the Federal Social Security Board, "Sections 67, 68, and 69, as proposed in Sections 27 through 29 of the bill, are undesirable from the standpoint of policy, administrative feasibility, and cost. It seems inadvisable to incorporate minute administrative procedure in the statute since the resulting inflexibility may create difficulty. The procedures provided appear not only unduly burdensome to the claimant and to the agency, but it is questionable whether certain of the provisions are necessary for the proper and efficient administration of the unemployment compensation law."

Quoting further from the letter of the Executive Director of the Social Security Board: "Section 61(a) proposed in Section 22 of the bill would permit reduced contribution rates as long as the amount in the State fund exceeded one and one-half times the amount of benefits paid in the preceding calendar year. Such a provision is not considered adequate to protect the solvency of the fund.

"Also, Section 61(a), if amended as proposed, would leave the suspension of reduced contribution rates to the discretion of the commission. The responsibility for establishing a minimum standard to protect the solvency of the fund should be assumed by the Legislature and should not be delegated by it as a discretionary power to any administrative body. A decline in the fund will in all probability be accompanied by a decline in business activity. The pressure upon any administrative officers to withhold exercise of such discretionary power, which would be brought by the interest affected in the matter, would make the sound exercise of such a discretion exceedingly difficult."

Unless an adequate reserve is made a condition precedent to reduction in contribution rates, the only means of protecting the fund is through the suspension of benefits under Section 61 of the present law, which is carried forward as Section 61(a) in this bill. Provision should be made that reductions in contribution rates shall be suspended whenever the fund falls below an adequate reserve, so that the solvency of the fund can be protected without suspending the payment of benefits. Such a suspension of benefits, made necessary because reduced contribution rates are continued after the fund falls below an adequate reserve, would result in a perversion of the primary purpose of the law, which is to pay benefits and stabilize purchasing power during the periods of unemployment.

An adequate reserve is essential to the future of the Unemployment Insurance Program, and the Legislature should provide therefor. Some months ago the California Employment Commission recommended to the Assembly the reserve they considered necessary to safeguard the funds, as follows: Reduced contribution rates be revoked when the fund is less than two times the amount of benefits paid during the preceding calendar year, or two times the total amount of contributions collected during the preceding calendar year, whichever is the greater. The Bureau of Employment Security has recommended reduced contribution rates shall be effective only if the amount in the fund meets two tests, namely, (1) it equals or exceeds eight (8) per cent of the average total annual payroll for the preceding three years; and (2) it equals or exceeds twice the highest amount of benefits paid during any one of the six preceding calendar years. It appears to me that either one of the two recommendations made would constitute the minimum adequate safeguard of the fund. Provisions adopting either one of these suggested standards could be properly made a part of A.B. 1177, which is a bill intended to eliminate ambiguities in the merit rating provisions of the existing law. In this connection, the Legislature should give consideration to the inevitable burden of benefit payments which the fund will sustain when the peak of the defense emergency has passed. I strongly recommend one of the foregoing statutory minimum tests in the interests of adequate protection for the workers in defense production and to prevent a dangerous reduction in the fund below level necessary to meet the known future emergency arising when the defense program has passed its peak.

The inevitable result of a short-sighted policy with respect to adequate reserves will lead to the discontinuance of benefit payments which will adversely affect not only the welfare of unemployed workers but also the merchants and business organizations with whom they trade.

Any suspension of benefit payments will increase the cost of relief, which in turn will place a heavier burden on the general taxpayer.

Section 5 of the bill eliminates tips and gratuities from the definition of "wages." The present act provides that tips and gratuities be included as wages and that the reasonable amount of tips and gratuities may be estimated in accordance with rules prescribed by the commission. A worker who reports tips to his employer and pays contributions thereon is able to draw unemployment insurance upon such tips. This amendment would make it impossible for workers desirous of reporting tips as wages to do so, and thereby deny them an opportunity to earn sufficient wages to qualify for unemployment insurance benefits.

Section 6 of the bill provides a rigid definition of the term "week." This amendment will place an undue hardship on many employees who are required under the Minimum Standards for the administration of Partial Unemployment Benefits of the Social Security Board, effective June 1, 1941, to initiate claims and verify earnings of partially unemployed workers. If the present flexible definition of the term "week" is retained, such employers may utilize carbon copies of existing pay rolls to verify the earnings of partially unemployed workers. Otherwise, many employers will be required to accrue wages to conform to the defined "week" of the statute rather than use a carbon copy of the check drawn in favor of the worker to satisfy the requirements of the Board's Minimum Standards.

Section 44.2(c), added by Section 11 of the bill, provides that "Services performed by an individual while registered for full attendance at and regularly attending an established school, college or university; and the services during customary vacation periods by an individual who intends to return or go to or enroll at any such school, college or university as a student for the next regular term, are not subject to tax under Section 44 and no worker shall be entitled to benefits based upon wages earned by such services." The effect of this amendment would be to exclude approximately 105,000 students from the potential benefits of the act, of which number it is estimated approximately 50,000 are working full or part time. It would exclude individuals attending any school, including persons enrolled in trade schools and night schools, from the protection of unemployment insurance. Further, it would create a large group of noncovered workers whom employers, particularly those engaged in seasonal industries, may find advantageous to utilize in lieu of their present workers because (1) no benefits could be paid to this group of workers, and, therefore, no charges made against the employer's account; (2) by utilizing students during the school vacation, the amount of work available to covered workers might be sufficiently reduced in a large number of cases that the workers would no longer be able to earn sufficient wages to qualify for benefits.

Section 12 of the bill would reduce the interest rate on delinquent contributions from 1 per cent per month to one-half of 1 per cent per month or a fraction thereof. It is not believed desirable to reduce the interest rate on delinquent contributions for the following reasons: Other important tax statutes, such as the Bank and Corporation Franchise Act and the Personal Income Tax Act, provide a 1 per cent per month interest rate on delinquent payments. Even with a 1 per

cent interest rate on delinquent payments, the Department of Employment has approximately 4,500 delinquent accounts each quarter. If the interest rate were reduced, it is estimated that the number of delinquent accounts would be considerably increased.

Section 19 of the bill eliminates the \$3.00 wage credit now granted partially employed workers. Under the present law, the first \$3.00 of weekly earnings of partially employed workers are not deducted from their benefits. This credit is allowed to encourage workers to seek casual or odd job work pending reemployment at full time. Forty-three states provide for a partial earnings credit. There is no justification for California taking a backward step with respect to the granting of partial earnings credit.

Section 19.5 of the bill provides that "Only an individual who is unemployed through no fault of his own shall be eligible to receive benefits as provided in this act, and such benefits shall be paid with respect to any week in which he is so unemployed only if—(a) he has filed a claim for benefits with respect to such week during the next succeeding week; * * * " This provision is objectionable for several reasons: (1) It provides a rigid procedure not adaptable to meet changing conditions. (2) It does not enable the department to comply with the mandatory requirements of the Social Security Board with respect to their minimum standards for the payment of partial benefits. (3) It will deny an individual the right to draw benefits for which he is qualified simply because he is unable to claim such benefits during the succeeding week because he obtained full-time employment in that week. (4) Regulations of the commission under the present act require an individual to certify each week except when good cause is shown. Experience has shown that there are many situations justifying the waiver of this requirement for good cause. With reference to this provision of the bill, the Executive Director of the Social Security Board says: "Section 56(a) and (b) and Section 67(b) and (c) of the California unemployment compensation law, if amended as proposed in Sections 19.5 and 27 of Assembly Bill 560, would not meet the standards established by the Social Security Board under Section 303(a) (1) of the Social Security Act respecting the payment of benefits for partial unemployment. For example, the proposed amendment would appear to prevent the State agency from permitting the retroactive filing of claims for partial benefits for the four preceding weeks as is required by the Board of Standards."

By amendments to Section 56(c) this bill provides that an unemployed individual shall be eligible for benefits only if "During all of such week he is able to work and was available for work, and for the purposes of this requirement, no worker shall be deemed able to work unless he was both physically and mentally capable of performing any work of substantially the same kind or nature in so far as physical or mental requirements are concerned, as work performed by such an individual during a period or periods totaling one month or more out of the 12 months immediately preceding the week with respect to which he is applying for benefits." This provision would require an individual, no longer qualified to perform his usual work for physical or mental reasons, to either have worked for a period or periods totaling one month or more out of the 12 preceding months in an occupation in

which he is now able to work. Failure to meet this condition would result in the denial of benefits to such an individual, even though he is able, available and qualified to work in another occupation. Any individual who, as a result of an industrial accident, is required to change his occupation, could be excluded from the protection of the act, even though fully recovered from the accident and thoroughly qualified for a new occupation.

Your further attention is directed to the inequities inherent in the disqualification provisions which would be imposed by Section 20 of the bill.

Section 57(a), as amended, would provide: "An individual shall not be deemed unemployed through no fault of his own and shall not be eligible for benefits (a) during any week in which he is out of work with any prior employer because of a trade dispute and for two weeks thereafter, or for 15 months from the date he was last employed by such employer, whichever period is the shorter, if such individual left or remained away from or refused to continue his work with such employer because of such trade dispute." This amendment would disqualify innocent bystanders who are thrown out of work because of a trade dispute because the proposed amendment does not limit the disqualification to unemployment due to disputes at the plant at which a worker is or was last employed, as is the case under the present law, and so far as I can learn, under every unemployment insurance law in the United States. On the contrary, the great majority of State laws contain a provision that even workers in the plant where a dispute exists, who are not participating in, financing and otherwise interested in the dispute, will not be denied benefits if they become unemployed due to the dispute. This amendment is subject to reasonable interpretation that all workers, regardless of their interest or connection with the dispute resulting in their unemployment, would be disqualified. Workers not connected with a trade union and having no interest whatever in the result of a trade dispute, should not be denied unemployment insurance when thrown out of work because a strike causes them to become unemployed. An example of the extreme scope of this amendment is indicated by the fact that under it a worker who, having once become involved in a dispute, later disassociates himself from the dispute and finds employment elsewhere, would nevertheless be disqualified for the duration of the trade dispute, plus two weeks but not to exceed a period of 15 months from the commencement of the trade dispute with which he no longer has any connection whatsoever. The recent Ford Motor Company strike in Dearborn, Michigan, is also an excellent example of the far-reaching effect of the proposed amendment. The workers of the Richmond, California, plant who were thrown out of work because of the shutdown in Dearborn, Michigan, under this amendment could be denied benefits because of their unemployment, pending the settlement of the trade dispute 2,000 miles away. Mr. Powell, Executive Director of the Social Security Board, has made the following comment with respect to this proposed section: "The language of Section 20 of Assembly Bill 560, amending Section 57(a) of the State law, is ambiguous. If the words 'remained away from' are so interpreted as to deny benefits to any claimant under circumstances which might constitute an offer of 'new work' under conditions which

the individual would be entitled to reject in view of the terms of Section 1603(a) (5) of the Internal Revenue Code, a question of the conformity of the State law with that section would result. Under certain circumstances an offer of work by a prior employer from whom the individual has long since been separated may constitute an offer of 'new work' within the purview of Section 1603(a) (5) of the Internal Revenue Code. Unless Section 13(a) of the California law is considered as controlling over the instant amendment to Section 57(a), the conformity issue might arise."

Section 57(b) is amended to provide that an individual shall not be eligible for benefits: "(b) During any period the benefits with respect to which are based in whole or in part on wages earned prior to the most recent date on which such individual without good cause refused to accept suitable employment when offered him, or failed without good cause to apply for and make a bona fide effort to obtain suitable employment when notified thereof by a district public employment office." This would mean that if a worker, after a number of years of continuous employment, were laid off on April 15, 1941, and soon thereafter were offered suitable employment by another employer for a few days' duration which he refused, the individual would not be able to qualify for any unemployment insurance until September 30, 1942. In this case, the individual would have been disqualified for a period in excess of 17 months because he refused to accept suitable employment of a few days' duration, although that refusal was in order to hold himself in readiness for an available permanent job. A comparative analysis of the disqualifications contained in the laws of other States will indicate the extreme harshness of this amendment. Should an individual who refused suitable employment of a day's duration be disqualified for a period in excess of 15 months? A recent survey shows that 35 States disqualify an individual for refusing to accept suitable employment for a period from one to six weeks. The California Employment Commission has recommended to the Legislature that such an equitable provision be incorporated in our law.

Section 57(d) provides that an individual shall not be eligible for benefits: "(d) During any week in which he was laid off, suspended, or discharged for misconduct connected with his work, if so found by the commission, and in the case of such discharge for not less than five successive weeks nor more than 10 successive weeks thereafter, and in addition in the case of such discharge the maximum total amount of benefits which would otherwise be payable to him in his then current benefit year, or if none be then current, his next benefit year, shall be reduced by an amount equal to not less than five nor more than 10 times his weekly benefit amount." This amendment means that an individual, in addition to being disqualified for from five to 10 weeks for having been discharged for cause, would also have his benefits reduced not less than five nor more than 10 times his weekly benefit amount from either the current or the next succeeding benefit year. As an individual's next succeeding benefit year may not occur for a period of five, 10 or 15 or more years, his maximum total amount of benefits in such cases would be reduced from \$50.00 to \$180.00, 15 or more years after he was once discharged for misconduct. No other State law contains such a provision.

Section 20.5 of the bill provides that "An otherwise eligible individual shall not be eligible for benefits with respect to unemployment (1) for any week with respect to which he has wilfully failed to report a material fact in order to obtain any benefit under this act and for the 52 weeks immediately succeeding such week." The full implication of this section can be understood only when analyzed in light of the language contained in Sections 67(b) and (c), as amended in Section 27 of this bill, which says that every original claim and continued claim "shall state in writing, under oath of the claimant * * * (2) That the claimant was not then subject to any disqualification or condition of ineligibility for benefits under this act, or if any such disqualification or condition of ineligibility of benefits under this act does exist, the nature thereof." Since claimants are required to state under oath a conclusion of law instead of a statement of fact at the time the claim is filed, many individuals may be disqualified for 53 weeks because they have made an affidavit of qualification, not knowing that they were subject to a disqualification or condition of ineligibility. No other State provides a 53-week disqualification for a wilful false statement. In fact, only 14 States provide any disqualification in such cases, and the majority of these disqualify an individual for only from one to 10 weeks. I believe provision can and should be made imposing reasonable penalties in the denial of benefits upon persons who wilfully make false statements of essential facts supporting their claim. But I do not consider this amendment a proper provision for that purpose.

Section 21 of the bill repeals Section 58 of the act. The disqualifications now contained in Sections 58(a), (b), and (d) have been amended by this bill and made part of Sections 57 and 57.5. However, in the process of redrafting the material formerly contained in Section 58, there has been eliminated the presumption that an individual has been discharged for reasons other than misconduct in connection with his work and not to have voluntarily left his work without good cause unless an employer has given notice to that effect to the commission in writing within five days after the termination of service. The Department of Employment is receiving over 30,000 termination notices a year under Section 58(c) and, based on information contained in these notices, over 20,000 disqualifications are being imposed annually. In order to enable the department to make initial determinations based on all available facts and to pay benefits promptly, it is essential that the employers continue to notify the department whenever any grounds exist which may require the disqualification of a claimant. Requiring employers to file a written notice within five days, setting forth such facts as are necessary to establish a prima facie case in support of the employer's contention that a worker left voluntarily or was dismissed for misconduct, would not seem to constitute a serious burden on the employers. In lieu of the language contained in Section 58(c), this bill provides in Section 28 a system of notification of all prior base period and lag quarter employers which would require the department to furnish employers over 1,300,000 separate notices in order to save them the necessity of filing the notices now required in the limited number of cases where grounds for a possible disqualification exists. It is estimated that the cost of furnishing the required notices and the maintenance of the necessary records would be in excess

of \$500,000 annually; whereas, an adequate system of notifying employers is now provided by the department at a cost of less than \$100,000 annually.

New conditions for grants under the Social Security Act, required to be provided in State laws by July 1, 1941, would not be fulfilled by Assembly Bill 560. As a result, grants for administration of the California program would necessarily be suspended. Sections 8.4 and 8.5 of Assembly Bill 560 purport to include provisions conforming with Section 303(a) (8) and (9) of the Social Security Act. While in content the proposed provisions are adequate for that purpose, this bill, if approved, would not become law until 90 days after the Legislature adjourns, because this bill was not enacted as an urgency measure. Section 303 (a) (8) and (9) of the Social Security Act requires that a State law conforming therewith contain the appropriate provisions effective July 1, 1941. Therefore, during the period from July 1, 1941, to the effective date of Assembly Bill 560, the California law would not conform with the above-cited sections of the Social Security Act, and grants for administration expenses would not be made available to the State. It is necessary, in order to avoid such a result, that an act containing the provisions contemplated by Section 303(a) (8) and (9) of the Social Security Act become effective on or before July 1, 1941. Assembly Bill 1222, now before the Senate, which in content conforms with Section 303(a) (8) and (9) should be enacted forthwith as an urgency measure in order to become effective on or before July 1, 1941, and prevent the suspension of Federal grants.

Proponents of this bill argue in its support that cases have been found of individuals obtaining benefits to which they were not entitled, and that one of the purposes of this bill is to prevent the recurrence of such cases. I can not find in the provisions of the bill any greater protection against chiselers than the present law affords. The elimination of chiselers on any law is usually accomplished only through efficient administration with adequate administrative powers. In the launching and development of any program of the scope and magnitude of the Unemployment Insurance Act, particularly during the early stages of the organization of the administrative machinery and the establishment of manuals and rules of procedure to carry into effect the intent of the law, it may not be doubted that some chiselers have found their way to its benefits and isolated cases of abuse have occurred. The administration of the act has so progressed, particularly during recent months, that such abuses have been reduced to a negligible quantity, and with proper cooperation of employers and workers, and increased knowledge and understanding by both parties of the purpose of the act and in the light of previous experience, it is reasonable to anticipate that abuses will be cut to the irreducible minimum, possible under any conceivable provisions in the act. No longer are benefits being paid to students or other unemployed workers not available for full time employment; nor are benefits paid to expectant mothers until after it is clearly determined that they are again able and available for work. No worker is permitted to receive the benefits of the act during any period in which he is not available and subject to call for work. But even if some abuses needing administrative correction do exist, the situation could not possibly justify these far reaching, drastic and inequitable changes,

jeopardizing the continuance of Federal grants for administration and tax credits for employers.

I am attaching hereto a report on this bill made to me by the California Employment Commission in response to my request for its analysis and recommendation, which supports the foregoing objections and recommends this veto.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

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FEDERAL SECURITY AGENCY SOCIAL SECURITY BOARD
WASHINGTON, D. C.

June 3, 1941

THE HONORABLE CULBERT L. OLSON, *Governor of California*
Sacramento, California

DEAR GOVERNOR:

This is in answer to your letter of May 29th to Mr. A. J. Altmeyer, Chairman of the Social Security Board, in which you requested the Social Security Board's views with respect to California Assembly Bill 560, with particular reference to the conformity of its provisions with the requirements and the social purposes of the Federal Social Security Act and the board's standards. We have examined this bill in the form in which it passed the Legislature and offer the following comment.

*Conformity Questions Arising Under Section 303(a) of the
Social Security Act*

1. New conditions for grants under the Social Security Act, required to be provided in State laws by July 1, 1941, would not be fulfilled by Assembly Bill 560. As a result, grants for administration of the California program would necessarily be suspended. Sections 8.4 and 8.5 of Assembly Bill 560 purport to include provisions conforming with Section 303(a) (8) and (9) of the Social Security Act. While in content the proposed provisions are adequate for that purpose, they will not become law until 90 days after the Legislature adjourns, under the terms of the California Constitution. Sections 303(a) (8) and (9) of the Social Security Act requires that a State law conforming therewith contain the appropriate provisions effective July 1, 1941. Therefore, during the period from July 1, 1941, to the effective date of Assembly Bill 560, the California law will not conform with the above-cited sections of the Social Security Act and grants for administration expenses can not be made available to the State.

It will be necessary, in order to avoid such a result, that any State law or laws containing the provisions contemplated by Section 303(a) (8) and (9) of the Social Security Act contain the language necessary to assure that such law or laws become effective on or before July 1, 1941; it may be noted that Assembly Bill 1222 which in content would

conform with Section 303(a) (9) contains such language, but that Assembly Bill 1193, which in content would conform with Section 303(a) (8) does not contain appropriate language to assure its immediate effective date.

2. Section 56(a) and (b) and Section 67(b) and (c) of the California unemployment compensation law, if amended as proposed in Sections 19.5 and 27 of Assembly Bill 560, would not meet the standards established by the Social Security Board under Section 303(a) (1) of the Social Security Act respecting the payment of benefits for partial unemployment. For example, the proposed amendments would appear to prevent the State agency from permitting the retroactive filing of claims for partial benefits for the four preceding weeks as is required by the board standards.

Conformity Questions Arising Under Section 1603(a) (5) of the Internal Revenue Code

The language of Section 20 of Assembly Bill 560, amending Section 57(a) of the State law, is ambiguous. If the words "remained away from" are so interpreted as to deny benefits to any claimant under circumstances which might constitute an offer of "new work" under conditions which the individual would be entitled to reject in view of the terms of Section 1603(a) (5) of the Internal Revenue Code, a question of conformity of the State law with that section would result. Under certain circumstances an offer of work by a prior employer from whom the individual has long since been separated may constitute an offer of "new work" within the purview of Section 1603(a) (5) of the Internal Revenue Code. Unless Section 13(a) of the California law is considered as controlling over the instant amendment to Section 57(a), the conformity issue might arise.

California Conformity Questions under Section 303(a)(4) and (5) of The Social Security Act and Sections 1603(a)(3) of the Federal Unemployment Tax Act

Section 2 of the bill would amend Section 7 of the law by paragraphs excluding from the definition of employment services performed by an individual as an insurance agent or solicitor, if all such service is performed for remuneration solely by way of commission and service performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news.

These exclusions are subject to the provisions of Subsection 1 providing that the services thereafter enumerated shall be excluded from the definition of employment "if, when and during such times" as they are excluded from the Federal Unemployment Tax Act. Since the services of insurance salesmen and newsboys under 18 were excluded from the Unemployment Tax Act by the Social Security Act amendments of 1939, it would appear that the new exclusions may be given a retroactive application, and that in such cases the California law may be construed to authorize refunds of contributions which were due under the law in effect at the time of their payment. In such case, the California law will contain provisions authorizing the use of moneys in the Unemployment Compensation Fund contrary to limitations imposed by both the Social Security Act and the Federal Unemployment Tax Act.

Major Policy Considerations

1. The new disqualification provision in Section 57, proposed in Section 20 of the bill, would have great significance for benefit payments. These provisions are the most severe that have ever been brought to the attention of the Bureau of Employment Security and seem to be incompatible with unemployment compensation principles. Under these provisions claimants would be disqualified without sufficient cause, second, unusually severe penalties would be imposed as "disqualifications," and third, these penalties would operate arbitrarily with little relation to the circumstances leading to the individual's disqualification. To illustrate, an individual would be disqualified for leaving work without good cause attributable to his employer. Thus an individual who left work for the most compelling of personal reasons, but who was in all other respects eligible, would be disqualified merely because the separation was not directly attributable to his employer. To illustrate the second point, consider a claimant who has left work without good cause, but expects to seek reemployment after a time. When such individual seeks to reenter the labor market, but is unsuccessful in finding work none of his past accumulated benefit rights would be available to him as they would all have been canceled under the proposed Section 57(c). Such individual could not become eligible for benefits until he had gone back to work and gradually accumulated enough wage credits to qualify; this would in effect mean that he would probably be ineligible for at least a year. A disqualification of this severity seems most undesirable in the face of the individual's demonstrated willingness to work over a period long enough to accumulate rights under the unemployment compensation law.

The manner in which these disqualifications would operate may be revealed by comparing two individuals who refuse suitable work in comparable circumstances, one of whom has drawn nearly all the benefits to which he is entitled for that year, and one of whom has drawn only one week of benefits. In the former case, the disqualification will result in the cancellation of only a negligible amount of benefit rights, whereas the latter individual will be deprived of practically his whole year's potential benefits.

The Social Security Board recommends that disqualifications should be designed to simply postpone the enjoyment of the individual's benefit rights for a limited period of time on the theory that period of unemployment which originates out of the individual's own action can not be presumed to continue to be attributable to the individual for the indefinite future. It should be noted that an individual's current eligibility is always subject to his being found able to and available for work.

2. Section 73 proposed in Section 32 of the bill in reality gives little or no protection to the benefit rights of individuals who enlist in or are inducted into the armed services. The provision that "within 60 days after effective date of this section, or within 60 days after commencement of such military service, whichever is the later date, a worker must serve upon the commission a notice to the effect that he desires to be classified as a military worker," clearly implies that any worker who fails to give such notice within the 60-day period will not be entitled to be so classified or to have benefits computed and credited

to him. Since it may be expected that many, if not most of such workers will fail to give such notice because of lack of knowledge of the necessity for so doing, this requirement makes of the provision an "empty gesture." In view of the fact that arrangements have been made on a National basis, by the Bureau of Employment Security, for identifying information to be sent to each State agency for those individuals in the armed services who have wage credits in their respective States, a provision requiring a military worker to notify his State as to his status seems unnecessary and undesirable.

Under the language of this section, an individual who was inducted into military service must not only have been employed at the time of induction but must have been working in "covered work" if he is to benefit by this provision. Such discrimination against individuals who may have been unemployed at the time of induction or who may have been working in "uncovered work" yet who have benefit rights accrued, is most undesirable.

3. Sections 67, 68, and 69 as proposed in Sections 27 through 29 of the bill are undesirable from the standpoint of policy, administrative feasibility, and cost. It seems inadvisable to incorporate minute administrative procedure in the statute since the resulting inflexibility may create difficulty. The procedures provided appear not only unduly burdensome to the claimant and to the agency, but it is questionable whether certain of the provisions are necessary for the proper and efficient administration of the unemployment compensation law.

4. Section 61 (a) proposed in Section 22 of the bill would permit reduced contribution rates as long as the amount in the State fund exceeded one and one-half times the amount of benefits paid in the preceding calendar year. Such a provision is not considered adequate to protect the solvency of the fund.

Also, Section 61 (a), if amended as proposed, would leave the suspension of reduced contribution rates to the discretion of the commission. The responsibility for establishing a minimum standard to protect the solvency of the fund should be assumed by the Legislature and should not be delegated by it as a discretionary power, to any administrative body. A decline in the fund will in all probability be accompanied by a decline in business activity. The pressure upon any administrative officers to withhold exercise of such discretionary power, which would be brought by the interests affected in the matter, would make the sound exercise of such a discretion exceedingly difficult.

Under the provision of Section 61 (b), if amended as proposed, it would appear that the fund, established for the purpose of paying benefits, is to be "protected" by the suspension of benefits. Since the sole purpose of maintaining the fund is for the payment of benefits, the provision for suspension of benefits while the fund is solvent could apparently serve only to build the fund up to the point where reduced rates will again be effective. This would seem to be a denial of the whole purpose of an unemployment compensation law. It would make it appear that the purpose of the California law is to enable employers to obtain reductions on their Federal taxes and that the payment of benefits is of merely secondary consideration.

5. Section 72 of the law, as proposed in Section 26 of the bill, would assess a penalty in an amount equal to 10 per cent of the final

award, against claimants or employers who have acted in bad faith and without reasonable basis for appeal. While a benefit claimant coming within the purview of the provision would suffer a severe pecuniary loss, a guilty employer would suffer only a debit in the bookkeeping account maintained for him by the agency for experience rating purposes. It is apparent that the "penalty" as regards the employer will in most instances occasion him no pecuniary loss whatsoever and that the provision is therefore discriminatory and inequitable as between claimants and employers. Also, since the employer's bad faith in taking appeals is in no way related to his experience with unemployment risk (upon which his contribution rate should be based) this debit to the employer's experience rating account is inconsistent with experience rating principles.

It is hoped that these comments will be helpful to you in determining what action you will take on this bill. Please advise if we can be of any further assistance.

Sincerely,

OSCAR M. POWELL
Executive Director

Copy of Telegram Received by Governor Culbert L. Olson From Oscar M. Powell, Executive Director, Social Security Board

June 4, 1941

Re my letter dated June 3 concerning Assembly Bill 560 regret inadvertent omission therefrom of following two points:

1. Re provision of bill whereby only 73 per cent of benefits will be charged for experience rating purposes, failure to charge total benefits paid raises question as to conformity of experience rating provisions with requirements of Section 1602(a)(1) of Internal Revenue Code, and

2. Bill contains no provision removing ambiguities of Section 39 of California law concerning three years of experience as condition precedent to allowance of reduced rates of contributions. Social Security Board certified California law for additional credit purposes on basis of opinion of California Attorney General in which that official recognized and urged need for legislation removing all question.

OSCAR M. POWELL
Executive Director, Social Security Board

Rx94 264

SAN FRANCISCO, CALIF. 9 510P

HON. CULBERT L. OLSON, *Governor*

State Capitol, Sacramento, California

In reference to your request of the Department of Employment for an analysis and recommendations regarding Assembly Bill 560, we desire to make the following statement of our views: This bill is not a measure consistent with the basic principles of the present law, which would merely correct alleged abuses in the existing act. It proposes far-reaching changes which would make the California act one

of the most restrictive unemployment insurance laws in the United States. The major effect of almost all the proposed changes would be to facilitate reductions in employers' contribution rates under the merit rating provisions. This would be accomplished by harsh and inequitable denials of benefits, and by an arbitrary reduction of 27 per cent in the present benefit charge against employers' reserve accounts, without provisions that we think would adequately protect the Total Reserve Fund. The bill will raise very serious questions of conformity with the minimum standards provided by the Social Security Act and Internal Revenue Code of the United States Government. One consequence of such nonconformity might be that the State of California would have to provide from its general funds the five million dollars for administrative expenses now being supplied annually by the United States Government or the work of the department, including its activities in the National defense program, would be compelled to shut down. Similarly the tax credit offset rights of employers might be jeopardized. In view of the serious effects which this bill would have upon vital interests of employees, employers and the State, we recommend that the bill be vetoed.

Henry F. Grady, chairman and commissioner representative of the large employers.

James L. Matthews, commissioner representative of the State and its interests and of the public.

John F. Chambers, commissioner representative of labor and its interests.

Ansley K. Salz, commissioner representative of independent merchants and small employers.

John S. Horn, commissioner representative of labor and its interests.

FIFTY-FOURTH LEGISLATURE
FIRST EXTRAORDINARY SESSION

CONVENED DECEMBER 19, 1941

MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, December 19, 1941

*Members of the Senate and the Assembly
of the California Legislature*

Protection of life and property in California by agencies of the State Government in the present serious state of emergency required the calling of this special session of the Legislature. The need of funds to support the State Guard, a large portion of which is now in service, and for augmentation of the State Emergency Fund, is so urgent that I did not dare risk delay in calling you into extraordinary session to appropriate funds for these emergency needs.

STATE GUARD

Your act of June 17, 1941, directed the Governor "to organize and maintain a State Guard with a minimum numerical strength of 10,000 persons and not to exceed such maximum strength as the Governor may prescribe." This act was passed in recognition of the fact, as stated in its urgency clause, that "An emergency exists in the United States and the State of California is providing adequate armies and facilities for defense. A large rearmament program is also under way, in which the manufacturing, airplane, shipbuilding and other plants of this State are taking their part. The National Guard, which has heretofore been available to this State as an organization for the defense and for the guarding of such plants and other places of strategic and military value is being called into the service of the United States and many units thereof have already left the State in such service. It is therefore necessary that steps be taken to provide troops to take their place and to make the unorganized militia more readily available for defense in this emergency and for the guarding of such plants and places of military and strategic value." And under Section 554 of the Military and Veterans Code, the Guard may be called into active service of the State for the causes and purposes for which the Governor could call the National Guard into service before it was inducted into the Federal Army.

Pursuant to direction of the act of June 17, 1941, I caused the State Guard to be organized with volunteer enlistments until its numerical strength exceeded 10,000 persons. On the seventh of this month, the date our country was drawn into actual war by the Japanese attack, the numerical strength of the Guard was approximately 15,000 persons. On that same day I was requested by the War Department of the United States to call the Guard into service to provide troops for the guarding of plants and places of military and strategic value in this State. At the same time I called for volunteers of 10,000 additional men, and within a week that additional number had enlisted in the Guard, and applications made by additional thousands for enlistment.

The present strength of the Guard is, therefore, now 26,500 officers and men. Guard troops have been furnished, and a large portion of the personnel of the Guard is now on duty in the protection of plants and places of military and strategic value, and resources and utilities vital to civilian welfare and public safety. Such requests for Guard protection have come not only from United States Army and Navy sources, but also from local governments for the protection of vital municipal utility supply plants. Response to these emergency calls for the services of the State Guard may, for an indefinite period, require the calling of all of its present personnel to active duty. Whether the full present strength of the Guard will be required on duty throughout the next year or during the rest of this biennium, or when, if at all, the Federal Government may make provision for guard duty at plants and places of military and strategic value in this State, I do not know. Nor could anyone know definitely at this time. But it is certain that plants and places of military and strategic value are also plants and places of great value to the State, as well as are other plants and places requiring protection from destruction.

I have called upon The Adjutant General to furnish me a budget of the financial requirements for the maintenance of the Guard, and he has furnished me with such a budget, predicated on activation of the full present strength of the Guard for a period of one year. The total amount of this budget is \$37,090,881; \$5,478,000 of which is predicated upon amendments to the sections of the Military Code mentioned in Item 1 of your call to this special session. Under the present Military Code, officers of the Guard, while on duty, are entitled to the same pay and allowance as officers of equal rank in the Army and Navy of the United States. All other personnel, including noncommissioned officers, as well as privates, are entitled to receive \$2 per day while on duty. Proposed amendments of these sections of the Military Code, would provide a step up in the pay allowances to the ranks of noncommissioned officers above that allowed privates, ranging from \$720 per year to privates, to \$1,080 per year for first sergeants, and would provide for allowances to dependents, measured by that provided for dependents of enlisted men in the United States Army.

I am hoping and anticipating that the full present strength of the Guard may not be required on full-time duty throughout the coming year. I am hoping and anticipating, too, that the Federal Government will realize, before the end of the year, that it would be calling too severely on the financial resources of California to provide a military guard for all of our resources, plants and utilities, and that as we settle down to continuing war conditions, provision may be made by the Federal Government for a large part of such guarding service. I have already taken this matter up with the War Department and the President, and it is receiving their attention.

Therefore, I recommend that at this time the Legislature appropriate, for pay allowances and maintenance to the State Guard, while in service, and for any substantial allowance that may be provided by amendments to the Military Code of the sections mentioned in the call, and for equipment, a total of at least \$17,500,000, to be used as may be needed during the rest of the current biennium.

An appropriation for active duty by the Guard is in the nature of emergency appropriation, because the Guard is in no sense to be maintained as a standing army. It is an organized part of the State Militia, ready to be called to active duty as emergencies require, and to receive allowances for maintenance only while on active duty.

And I recommend that you also appropriate the further sum of \$9,250,000 to the regular State Emergency Fund. The appropriation to this fund for the current biennium in Item 216 of Section 2 of the Budget Act of 1941, was \$1,000,000, of which \$750,000 remains unexpended or unallotted.

It is impossible at this time to state the exact amounts required by any department or office of the State to meet war emergency needs for an expansion of its services. Provision must be made to purchase items of equipment which will require time to fabricate. The exact volume of such equipment can not be determined precisely at the moment. The element of time and the readiness required to act, providing for the needs of this type as they become manifest, do not allow for delay in making funds available.

Some of the more important emergency needs, now known to exist or which seem probable to suddenly develop, but which can not be measured by any specific appropriation and which are in excess of the provisions of the 1941-1943 budget, are as follows:

DEPARTMENT OF NATURAL RESOURCES

The Division of Forestry has imposed upon it by the conditions of war an emergency duty of the very first order and importance; namely that of fire prevention and suppression in the State's unincorporated area outside of National forests and parks. Experience abroad and, during the first World War, in this country teaches us to expect a marked increase in the incidence of fires in forest, grain and brush lands as a result of sabotage attempts during war conditions. It may be anticipated, therefore, that the task of the Division of Forestry in suppressing many fires on scattered fronts will be substantially increased and greatly complicated. Additional equipment and manpower over and above the present budget will undoubtedly be required. In accordance with the State Fire Disaster Plan, approved by the State Council of Defense, this division has been called upon to man its 250 fire trucks throughout the winter months with a minimum crew of two, and to bring such equipment down out of the mountains into areas of higher hazard where it can serve as a highly mobile force of trained fire fighters and equipment. It is intended, under the plan, that the Division of Forestry facilities will be used as a standby force to replace city and suburban fire departments which may be called upon to suppress "disaster" fires, and actually to assist in the suppression of such fires when local facilities prove inadequate. It may also become necessary to place the division's fire dispatching service on a 24-hour basis, and to extend dispatching service to areas not now served, if rural fire fighting equipment is to be mobilized and controlled on a State-wide basis in meeting the fire disasters which, according to competent military and fire fighting authorities, may be anticipated during war time.

DEPARTMENT OF PUBLIC HEALTH

The activities of this department are planned as an important part of the Civilian Defense Program in public health and welfare services, and for that reason the Director of Public Health was, by the State Council of Defense Act, made a member of that council. Funds must be made available to the Department of Health when needed for its services in epidemics, for any large evacuations of civilian populations. Its activities must be intensified in the protection of water supplies through the prevention of stream pollution, supervision of sewage disposal, inspection of food and drugs, rodent control and mosquito abatement, and general regulation of sanitation conditions. The vast expansion of industrial plants for defense production in California has increased the volume of work required of the Bureau of Industrial Hygiene. An increasing volume of work is being placed upon the Division of Laboratories and the Division of Vital Statistics. An increasing amount of services will be required by this department in the diagnosis of communicable diseases and in providing blood tests for the Selective Service. It may be necessary to extend the facilities of its laboratories, the manufacture of vaccines, and the examination of water supplies, chemical analysis of food products, and other laboratory services that will safeguard public health in wartime. The Division of Vital Statistics is now being flooded with requests for birth certificates for men entering the Army or Navy, war industries, and communication services. It must search its files for certificates for American-born Japanese required to prove their citizenship.

STATE DEPARTMENT OF AGRICULTURE

Under the present "Food for Defense Program" as promulgated by the United States Department of Agriculture, the importance of greater production of foodstuffs and agricultural commodities is stressed. Every bureau within the State Department of Agriculture may be called upon for increased services in the attainment of the heavy production goals established by the United States Department of Agriculture for this State. Estimates of the amount of funds which may be needed to meet such requirements obviously can not be made at this time.

DEPARTMENT OF INDUSTRIAL RELATIONS

Increase in employment generally in the State, as a result of the defense program and the war, has greatly exceeded all expectations upon which the budget for the Department of Industrial Relations was based. There have been increases in the occurrences of accidents in the war defense industries, and the necessity of providing additional safety engineers and inspectors in the Accident Prevention Bureau of the Division of Industrial Accidents and Safety, as may be required, may properly call upon allocations from the State Emergency Fund. And the Division of Fire Safety is being called upon for extraordinary work, far exceeding the capacity of the present staff.

FLOODS

The occurrence of floods during the high water periods has always presented needs for emergency assistance from the Division of Water

Resources, which now has no funds for that purpose. Many parts of California are threatened by and suffer from flood conditions each year, for the relief of which emergency funds have been properly allocated.

SOCIAL WELFARE

In the event it should become necessary to remove civilian populations from coastal defense areas to interior points, emergency services would be required of the Department of Social Welfare in providing care for evacuees.

STATE COUNCIL OF DEFENSE

The State Council of Defense must be placed upon an adequate basis as to technical staff, personnel and equipment. This council, which has been engaged in the formulation of civilian defense plans in cooperation with the National Office of Civilian Defense, and for the organization of local defense councils, is now required to carry those plans into effect and to supervise and direct a multitude of tasks incident thereto, involving a large amount of detailed work on the part of its staff. It has already been necessary to make allotments to the work of this council from the existing Emergency Fund. Additional funds are now required, a budget for which can not be immediately and fully determined upon by the council. The necessary staff can not be presently predicted. It must be based upon actual need as the work of the council progresses.

The State budget for 1941-43, as drafted and approved, contemplated our Nation at peace during the two-year period which it covered. Now we are at war, and California has become a domestic front in this conflict.

A cursory review of the State budget for 1941-1943 indicates that in some items, expenditures will be less than the amounts anticipated, while in other State services, emergency expenditures in excess of the appropriations now authorized will be required. Certain school costs will be less than the amounts estimated a year ago. Attendance at State colleges, junior colleges, and the university has fallen markedly below the budget estimates, and there has been some increase in high school enrollment. Although special vocational courses have been expended in practically all schools as a result of the Defense Training Program, the increased cost for these classes will be more than offset by curtailed enrollment in regular secondary schools. State expenditures for aid to the needy aged, blind, and children will be below the budget estimates, to the extent of at least \$2,500,000.

On the other hand, the emergencies of war will make imperative expansions of certain services of other State governmental agencies. The safety and welfare of the civilian population of this State demands that moneys be made available to meet every emergency that may arise in the changed and still changing conditions resulting from a state of war.

In peace time, as much as \$8,545,000 has been appropriated as emergency funds in a biennium. Surely in war time, fraught with its perils to the safety of life and property in the State, an emergency fund of at least \$10,000,000 should be provided.

Supplementing my recommendation for appropriation of funds for the State Guard, it is further recommended that legislation be adopted to provide that enlisted men in the State Guard, when called into active service, shall receive an allowance for the support of their actual dependents.

It is also recommended that no change be made in the provisions concerning officers and that the private or apprentice seamen continue to receive \$2 per day but that for each step in rank above private or apprentice seaman, enlisted men shall receive a 10 per cent increase in base pay.

Section 340 of the Military and Veterans Code now provides that where members of the National Guard or Naval Militia not in active service of the United States are killed or injured in active service, such member or his dependents shall be entitled to receive benefits under the Workmen's Compensation Act. Section 395 of such code now provides that public officers or employees who are members of the National Guard or Naval Militia and who are called into active duty as such members shall be entitled to absent themselves while engaged in the performance of ordered military or naval duty. Such provisions should be made applicable to members of the State Guard, and I so recommend.

Doubt exists as to the authority of counties, cities, and cities and counties, to expend public funds either unbudgeted or budgeted for other purposes to meet expenses necessarily arising during a state of war. In order to provide ample authority to make needed expenditures, the third item of the original proclamation for this session of the Legislature was made. Conferences concerning legislation to be adopted in regard to such subject revealed the fact that there was also a doubt as to the authority of various local districts and other local public agencies to make expenditures for war purposes, and that there was also doubt as to the authority of all local public agencies to use or permit the use of their property for war purposes. Such public agencies are being continually requested to make various of their facilities and property available for the use of the Army and other defense forces, and so, prior to the convening of this extraordinary session of the Legislature, a supplementary proclamation was issued to permit legislation granting the authority mentioned to all such public agencies, and I recommend that you adopt such legislation.

I have also included in the call, as amended, the consideration of ratification of charter amendments of local governments.

Your State Council of Defense joins me in making these recommendations.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

EXISTENCE OF WAR EMERGENCY

STATE OF CALIFORNIA, GOVERNOR'S OFFICE

SACRAMENTO, December 20, 1941

Members of the Senate and Assembly

GREETINGS: For your information, in connection with the matters submitted to you for consideration in my call of the present extraordinary session, and for the information of the public as to the serious need for action on the part of the Legislature as recommended in my message to you yesterday, I respectfully call your attention to the attached communications which I have just now received from Lieutenant General J. L. DeWitt, Commanding General, Western Defense Command, Headquarters at the Presidio, San Francisco, California.

Respectfully submitted.

CULBERT L. OLSON

Governor of California

Confidential

WAR DEPARTMENT

HEADQUARTERS WESTERN DEFENSE COMMAND AND FOURTH ARMY

PRESIDIO OF SAN FRANCISCO, CALIFORNIA

OFFICE OF THE COMMANDING GENERAL

December 19, 1941

Honorable Culbert L. Olson

Governor of the State of California

Sacramento, California

DEAR GOVERNOR: I can not emphasize to you too strongly the very real menace at this time to the National safety which arises from the presence in the States comprising the Western Defense Command, in which the State of California is included, of the considerable number of enemy aliens and possible fifth columnists.

Already, since the beginning of hostilities against this country, proof has mounted of fifth column activity and sabotage, particularly in Hawaii and the Philippines, which have caused serious property and Military damage and have contributed to the loss of many American lives.

Conditions which favored those activities and produced those results, exist within your State, and the opportunity for hostile activity of the kind here mentioned is increased during times when the people generally are occupied and their attention diverted by fairs, fiestas and public gatherings and occasions such as the Christmas and New Year's holiday season which is now at hand.

It is vital to the safety and well-being of all our people, as well as to the accomplishment of the mission of the Military Forces engaged

in protecting them and their activities that you, through every means at your command, bring the actual and potential sources of such activities under the closest possible surveillance, and that you promptly furnish, or cause to be furnished to the Federal Bureau of Investigation or to the nearest Military authorities, information of suspicious aliens or other persons and of all suspicious activities whatsoever of the kind in question. In addition, all enemy aliens and others believed to be actually or potentially dangerous as fifth columnists or saboteurs should, as far as practicable, be denied entrance or access to sensitive areas such as oil fields, refineries and oil storage facilities, railroad and highway bridges, docks, essential utilities and industrial plants.

Specifically, and in addition to such other measures as may suggest themselves, I request that you give the widest publicity to the situation now existing through a Proclamation, reciting the existing facts, declaring the existence of an unlimited emergency, and if you have not already done so, authorizing the voluntary enrollment of State Guards and such other and additional protective forces as may be authorized by the laws of your State; that you designate some responsible and competent State official to coordinate, supervise and direct the activities of all regular peace and other law enforcement officers of your State in all matters, to coordinate all measures for State and civilian defense in cooperation with the Armed Forces of the United States, to direct and complete the Voluntary Civilian defense organization of your State and to expedite the enrollment and training of personnel for civilian protection services; and, finally, that you enjoin upon the people prompt compliance with the directives of duly constituted Military and civilian authorities.

I assure you that the measures above outlined, if promptly put into operation and carried through with energy and resolution, will immeasurably assist the protection of our people and the accomplishment of the Military mission assigned the undersigned as Commander of the Western Theatre of Operations (Western Defense Command).

I am taking all practicable steps with the troops and means under my command to insure the nonimpairment of those resources and activities essential to the National defense within the Western Theatre of Operations which comprises the States of California, Oregon, Washington, Nevada, Utah, Idaho, Arizona and Montana.

The accomplishment of the Military mission assigned, in all its ramifications, does not permit the assignment of troops for the protection of every possible place, facility or industry that is subject to sabotage and fifth column activity. The people in every State and every community of the Western Theatre of Operations have a definite responsibility in this regard; and it is in order to insure that they realize it and bring to bear every possible means for combating this insidious danger that I ask you to take the action requested herein.

I am furnishing a copy of this letter to the Military commanders responsible for the application of Military measures within your State with direction that they contact the municipal authorities within their areas to insure full cooperation and coordination between the action of the troops under their command and the civil authorities.

A letter similar to this one is being sent to the Governors of the other States named above as comprising the Western Theatre of Operations.

Very truly yours,
(Signed)

J. L. DEWITT
Lieutenant General, U. S. Army

WAR DEPARTMENT

HEADQUARTERS WESTERN DEFENSE COMMAND AND FOURTH ARMY
PRESIDIO OF SAN FRANCISCO, CALIFORNIA

OFFICE OF THE COMMANDING GENERAL

December 19, 1941

Honorable Culbert L. Olson

Governor of the State of California
Sacramento, California

DEAR GOVERNOR: Referring to my letter to you of this date concerning measures for the prevention of fifth column activities and sabotage, I have today received a copy of the Proclamation issued by you on December 14, 1941, reciting the existence of a state of war between the United States and Japan, Germany, and Italy.

This Proclamation substantially complies with the pertinent suggestions contained in my letter above mentioned.

Your prompt and vigorous action in thus proclaiming the existing state of war and in setting in motion the defense forces of your State is a source of much gratification.

Very truly yours,
(Signed)

J. L. DEWITT
Lieutenant General, U. S. Army

(COPY—TELETYPE)

7 Sac. 12-15-41 2.30 p.m., Emergency—All Points Bulletin
Proclamation

EXECUTIVE DEPARTMENT, STATE OF CALIFORNIA
SACRAMENTO, December 14, 1941

WHEREAS, A state of war now exists between the Government of the United States of America and the governments of Japan, Germany and Italy; and

WHEREAS, With a thousand miles of coast line along the Pacific, the geographical position of the State of California places it in the first line of defense against invasion, and this State may at any time become a Theatre of War. Already enemy reconnaissance, if not bombing, planes are known to have passed along our coast and to have covered a part of the interior areas. Our great natural resources, our huge oil supplies, our enormous agricultural and industrial production, our numerous air craft factories, shipbuilding yards, and other facilities needed to sustain our Nation in the winning of the war, are the natural objectives of attempted aggressions of our enemies; and

WHEREAS, California is thus confronted with numerous and immediate problems arising out of the existing state of war, including the need for full cooperation of its citizens in carrying out plans and directions of the Army and the Navy and the other war and civilian defense agencies of the Government of the United States and of the State and local governments in the successful prosecution of the war, and for home and civilian defense and protection of the life and property and the health and welfare of the civilian population; and

WHEREAS, The State of California has within its borders numerous extensive Military and Naval reservations and bases dependent upon its transportation and communication facilities, its port facilities, its bridges, dams, levees, utilities, essential to the successful prosecution of the war and to civilian protection, requiring in that protection the services of State and local governments; and

WHEREAS, The welfare and safety of the people of this State and the protection of its resources, utilities and facilities against sabotage and subversive activities calls for emergency actions on the part of State and local governments; and

WHEREAS, Plans are adopted by the State Council of Defense, in cooperation with the office of civilian defense of the Nation and of local councils of defense, for the purpose of meeting these requirements and responding to the needs of the people in any emergency, disaster or threat of disaster, in any part of the State; and

WHEREAS, The present emergency must be recognized by State and local governments and by the people in order that the plans and purpose of the State Government and its Council of Defense and the several local governments and their councils of defense may be successfully effectuated; now, therefore,

I, CULBERT L. OLSON, GOVERNOR OF THE STATE OF CALIFORNIA, Under and by virtue of the authority vested in me as Chief Executive of the State of California, and in accordance with the Constitution and laws of the State, do hereby proclaim and declare that a state of emergency exists throughout the State of California, and I hereby designate the duly constituted officers of the State and of each city and of each city and county and of each county, as the officers to take charge of this emergency in their respective jurisdictions, and to carry into effect plans for civil protection adopted by the State Council of Defense and by local councils of defense in accordance therewith, in cooperation with the duly constituted authorities of the Government of the United States in the prosecution of the war and in provisions for civilian protection.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this fourteenth day of December, A. D., nineteen hundred and forty-one.

[SEAL]

Attest:

(THE GREAT SEAL OF THE
STATE OF CALIFORNIA)

CULBERT L. OLSON
Governor of California

PAUL PEEK
Secretary of State

FIFTY-FOURTH LEGISLATURE
SECOND EXTRAORDINARY SESSION

CONVENED JANUARY 17, 1942

MESSAGE UPON CONVENING

STATE OF CALIFORNIA, GOVERNOR'S OFFICE
SACRAMENTO, January 17, 1942

*Members of the Senate and the Assembly
of the California Legislature*

GREETINGS: I have called you into this extraordinary session immediately at approximately the time you have indicated your intention of concluding the extraordinary session called for December 19, 1941, in order that you may consider three subjects which I believe to be of sufficient importance, in the light of the present emergency, to justify your immediate attention. I believe that the subjects are of such an uncontroversial nature as to enable you to speedily consider and act upon them immediately.

The first item was included at the request of the United States Navy. Attached hereto is a letter to me from Rear Admiral J. W. Greenslade, Commandant of the Twelfth Naval District on this subject.

The second item was included at the request of Henry Morgenthau, Secretary of the Treasury. A copy of his telegram to me on this subject also is appended hereto. Legislation upon this subject should enable thousands of public employees to conveniently purchase Defense Savings Bonds by the setting up of a procedure of pay roll deductions to be made at the voluntary request of the employees.

The third item is included at the request of the sponsors of the Youth Correction Authority Act. In accordance with the act passed at the 1941 Session of the Legislature, I appointed two members from a panel submitted to me by officials of the organizations designated in the act. One of these is a county probation officer, and the other a superintendent of a State correctional school. Neither of said officials have accepted such appointment because of their unwillingness, during the present emergency, to leave their present duties. Sponsors of the act feel, and I agree with them, that these two appointees will be of invaluable assistance in organizing the Authority and its work while retaining their present positions and that they should be permitted to serve without compensation other than incurred expenses.

Respectfully submitted.

CULBERT L. OLSON
Governor of California

COPY

DISTRICT STAFF HEADQUARTERS, TWELFTH NAVAL DISTRICT
SAN FRANCISCO, CALIFORNIA, January 7, 1942

*Honorable Culbert L. Olson, Governor, State of California
Sacramento, California*

SIR: It is requested that a call be placed before the Legislature at its coming session on January 12, so that there may be an amendment

to the Statutes of 1933, page 2366, to add a new section thereto which will permit the City and County of San Francisco to transfer to the Navy Department that property generally known as Treasure Island.

In explanation of the above, may I state that the amending Act of December 5, 1940, which permitted the City to lease a portion of Treasure Island to the Navy Department, contained a clause to the effect that San Francisco Bay, as a key harbor on the Pacific Coast, will be the center of much of the activity in connection with the necessary prompt and widespread Military and Naval Armament Program. Events have proved this statement to be fully justified. Treasure Island, located in the harbor, is ideally suited to the uses and purposes of the Navy in the National defense, and amounts in excess of \$4,000,000 have already been allotted by the Navy Department for Naval operations on the island. Doubtless, large additional expenditures will be made in connection with the anticipated future expansion of Naval activities. Under such circumstances, the policy of the Navy Department dictates that the Navy should have title to the island.

At numerous conferences which have been held with the city officials and representatives of the San Francisco Chamber of Commerce, plans and means for the acquisition of Treasure Island by the Navy Department have been discussed. All parties agree that it would be preferable for the Navy Department to acquire title to the property under an agreement with the city, rather than by condemnation proceedings. To this end, the Secretary of the Navy, on January 6, 1942, sent a telegram to Mayor Rossi urgently recommending that negotiations for the transfer of title be speedily consummated and that an enabling act be introduced during the coming session of the California Legislature on January 12, which will permit the city to transfer the title to the Navy Department.

It is possible that certain other amendments should be made to the act giving the Navy the right to reclaim additional lands on the shoals of Yerba Buena Island. Officers attached to the district are prepared to collaborate with the Legislative Counsel in the preparation of the proposed legislation and in any appearances before the Legislature, which you may deem advisable.

Your active cooperation in this matter on behalf of the Navy is solicited and depended upon.

Very truly yours,

J. W. GREENSLADE

Rear Admiral, U. S. Navy Commandant, Twelfth Naval District

COPY

CHICAGO, ILLINOIS, December 17, 1941

*Honorable Culbert L. Olson, Governor of California
Sacramento, California*

Will you not in your call for contemplated special session of Legislature include the important item of enabling legislation allowing pay roll deduction plans to be put into effect for the purchase of

defense savings bonds by State, county and municipal employees and school teachers. This request in view of critical National emergency and consequent necessity for defense funds and systematic saving to avoid dangerous inflation. Edward H. Heller, Chairman, Defense Savings Committee, Northern California, or James G. Smyth, Administrator, Defense Savings Staff, Northern California, address 733 Monadnock Building, San Francisco, have full information as to details of required legislation.

HENRY MORGENTHAU, JR.
Secretary of the Treasury

PART III

○

PUBLIC ADDRESSES AND RADIO TALKS

○

1939

CALIFORNIA'S LABOR PROBLEMS

Radio Address delivered over Columbia Broadcasting System,

Sunday, March 19, 1939

My Fellow Citizens

Tonight, I want to talk with you about California's labor problems. I hope the good people of Redding in Shasta County, and of Westwood in Lassen County, will listen to what I have to say.

America's workers have achieved great advances in the past few years. The crowning achievement has been recognition of the right of collective bargaining. These gains have been made through organized labor's long and bitter struggle. Separate union groups should not now be found fighting among themselves over the question of which union shall have jurisdiction over the workers on given jobs.

Yet, there is a jurisdictional battle going on, and it is working great harm. This is the very reason President Roosevelt has called upon the leaders of the A. F. of L. and of the C. I. O. to meet with him, to adjust and resolve their differences, to formulate a basis for peace, unity, and strength in the ranks of labor. This is easier said than done. These jurisdictional battles do not rest upon mere superficial differences. They rest upon deep-rooted economic causes.

But, while labor is searching for unity of organization, the workers themselves should refrain from internal struggles which operate to defeat their common purpose. They should not close down industrial plants to engage in mere jurisdictional warfare. They should not regard each other as enemies. They are brothers with a common cause, which can be served by cooperation; but defeated if they fight each other.

Examples of the bad effects of these jurisdictional conflicts are found at the lumber mills in Westwood in Lassen County, and at the Delta tunnel job, and other Central Valley Project jobs, near Redding in Shasta County. In these areas, jurisdictional disputes have been destructive, not only of peace and public safety, but of constitutional rights; to say nothing of the welfare of the workers themselves.

Such effects are inevitable when either group attempts control by force, violence, or intimidation. When they threaten property destruction, civil warfare and bloodshed beyond the power of local authorities to control, it then becomes the State's duty to protect the personal safety of citizens, to preserve order, and to prevent mobs from taking the law into their own hands.

You, the people, have established the California National Guard to move, when the Governor finds it necessary, into any part of the State to preserve order and protect citizens and property.

Recently, in Shasta County, as a result of the contest for jurisdiction over the Delta tunnel job, the two unions mobilized. Men were marching to open conflict, armed with clubs. The sheriff told me his forces were insufficient to handle the situation, and that bloodshed might ensue unless State troops were sent in.

Nothing could grieve me more than to be compelled to use troops to settle a labor dispute, whether between competing labor groups or between labor and employer. I am determined to exhaust every means within my power and influence as Governor to restore peace without the use of armed force. I plead for the cause of civil liberties, of peaceful forces for the cause of labor itself. I appeal to the workers, and to their organizations to abandon all thought of violence and lawlessness as a means of settling labor disputes.

I dispatched officers of the National Guard to Redding to confer with members of both labor organizations, and to convey my appeal. The response has been most gratifying. Violence and lawlessness have been averted.

In order to understand the situation at Redding, you should know that the general contractor on the Delta tunnel job, before the job was started, made a contract with one of the labor union groups. The other union complained that this worked unfair discrimination against its members.

If the machinery and devices of the National Labor Relations Act could be used, the workers could ballot secretly to designate their collective bargaining agency, and thus the Redding dispute could be settled readily. But it is believed that the work on the Shasta Dam does not come under the jurisdiction of the Labor Board.

We do not have a State Labor Relations Act, which would give similar powers to our State authorities. Nor do we have any law providing for the appointment by the Governor of a mediation board to which he may delegate such services for settlement of industrial disputes as I am now performing. I believe we should have such laws.

Before leaving the Redding situation, I suggest, as a means to peace, that the different unions, and their members, confer together over their mutual problems. I suggest that they give special consideration to the kinds of work the members of their respective unions are best able to perform, and that they seek accordingly to apportion and share the work as equitably as possible, all in a spirit of cooperation and good will.

The City of Westwood, in Lassen County, has a population of about six thousand people, entirely dependent upon the operation of the mills of the Red River Lumber Company. Westwood is a so-called Company town. That is, the lumber company owns and controls practically all property, and concessions, stores and commercial privileges. The mills employ upward of 2000 men. Last July, as an outgrowth of several years of organization work, the labor unions, such as they were at Westwood, were succeeded by an A. F. of L. Union, and a C. I. O. Union. In July the company cut wages. A strike ensued, led by one of the unions.

Trouble followed. It developed into actual open warfare. Members of the one labor group were actually driven out of town, in what all now admit was a lawless purge, attended by physical force and violence.

Since the products of the Westwood mills move in interstate commerce, the Westwood labor dispute falls under the jurisdiction of the National Labor Relations Board. Complaints were, therefore, filed

with the board, alleging discrimination by the company against employees for union activity. The board investigated and issued orders to the lumber company to cease discriminations, to reinstate men who had been driven out of town and had not been re-employed, and to otherwise establish fair and peaceful conditions under which the board could call an election to determine which union should represent the employees as a collective bargaining agent.

The board has not held this election, up to now, because it feels that peaceful conditions have not yet been sufficiently restored.

Last month—on February 6th—the A. F. of L. Union, asserting unreasonable delay by the Labor Board in the calling of an election, struck for an immediate election and a closed shop, with restoration of the pay cut. Since then the mills have been idle.

Smoldering animosities have again been raised to fever heat, attended by street fights, the gathering of mobs, and threats of intimidation and violence. Men affiliated with the A. F. of L. destroyed the C. I. O. Union Hall.

Men and women have come to me from Westwood, sick with anxiety for the very lives of workers and their families who were involved in this struggle.

It looked as if there might be a recurrence of the violent events of last July. It looked as if I might have to declare martial law and install the National Guard. I sent officers of the National Guard to Westwood. Through them I pleaded with members of both unions to disavow and avoid violence and lawlessness.

I asked both unions to send representatives to confer with me. They did so. We sat down together. We worked out a plan for a return to work. The principal conditions of the plan were that the company would agree to restore the former wage scale and that the National Labor Relations Board would agree to call an election within thirty days.

The lumber company asserted that it was unable to restore the wage scale. I then suggested that an audit be made by a State agency to get at the facts that would enable the unions and their members to determine these matters for themselves. The lumber company agreed to my suggestion.

I am now proposing to the workers at Westwood a new peace plan, and asking them to vote upon this plan by a secret ballot, which will be conducted by the State Industrial Relations Department in the auditorium in Westwood, next Tuesday, March 21st. I ask the workers to vote upon the proposal that the Westwood mills be reopened on the basis of the wage and working conditions obtaining on February 3d when the mills shut down, and upon the following conditions:

First: That the lumber company's operations be audited as proposed.

Second: That two A. F. of L. Union representatives and two C. I. O. representatives shall then jointly negotiate a wage agreement with the Red River Lumber Company.

Third: That if, thirty days after the audit is completed, an agreement is not yet negotiated, then the matters in dispute shall be determined by a Board of Arbitration of five members, one for each of the

two unions, two for the Red River Lumber Company, and one to be appointed by me.

Fourth: That if wage rates be increased, the increase shall be retroactive to the date of reopening the mills.

I am sending my representatives to Westwood to ask both unions to favor the holding of this election, and to conduct the election. I am writing a letter to each of the workers. I am asking them, for their own good and for the good of their families and in the interest of peace and good will toward each other, to vote yes on this peace proposal.

I am not merely hopeful—I am confident—that the workers at Westwood will cooperate; that peace and good will can be re-established, and that mill operations can be resumed. In other words, that conditions can be established under which the National Labor Relations Board will not hesitate to call an early election, and I shall urge the National Labor Relations Board to hold an election as promptly as possible. This will enable the Westwood workers to select for themselves, by secret ballot, peacefully, and free from intimidation and coercion, the permanent bargaining agency for all employees. This is the best and only action the Governor can take.

I feel certain that every good citizen of California shares my belief that it is the duty of each and every worker of Westwood—that he owes it to himself and to his family, to the State and to the public generally—to rise above factional strife, and to vote for this fair, just, reasonable and practical plan.

I have dwelt at length on the subject of labor conditions in these two localities in the northern part of the State, because I deem it necessary that the people know of efforts being made to establish both the principle and the fact of peaceful settlement of industrial disputes. I feel that this is a faithful performance of my duty—a duty performed without discrimination or favoritism toward any group or interest.

My time has expired. I will talk to you again next Sunday evening at the same time. I thank you, and bid you

Good night.

ORDER OF AHEPA

*Address delivered before the American Hellenic Educational Group,
Hotel Senator, Thursday, March 23, 1939*

Members and Friends of the Order of Ahepa

Ladies and Gentlemen

I take special pleasure at being invited to address you sons of Hellen, that great mythical ancestor of all "true" Greeks. I take special pleasure because you and your ancestors, clear back into deepest antiquity, have made such a marked and lasting contribution to the culture and the civilization we know today.

These contributions make you a most valuable, and indispensable part of the American people, of the great stream of American life. These contributions have a special significance today because of the most perplexing problems that confront the people.

What are some of these contributions?

It was the Dorian Greeks who taught the Mediterranean peoples the art of making, forging, and using iron. In fact, it was with their superior iron arms that they conquered and occupied the very country that is now Greece.

The Ionian Greeks came later. They were the school teachers of their day. They taught the Mediterranean peoples letters, poetry, art. They introduced and made common the use of coined money.

The Greeks established the Olympic games which have done so much to cement together the peoples of modern times; just as in the ancient days they exerted such great influence in unifying the Greek peoples.

The Greeks raised painting, sculpture and the ceramic arts to such a high estate that their artists were signing their names to their works more than twenty-six hundred years ago; works which stand unexcelled to this day.

The Greeks built temples and public buildings which, by sheer beauty of line and proportion, have strongly influenced all systems of architecture throughout subsequent ages.

The Greeks produced poets, writers, teachers and philosophers who, by their works, actually bring the fifth century before Christ closer to us of today than are the fifth, the tenth, or even the fifteenth centuries of the Christian era.

The Greeks gave us Thales, the great Ionian astronomer and mathematician. He learned to calculate and forecast eclipses of the sun. He took the stars away from the gods and declared that they moved according to fixed laws. One of his pupils made a map of the world.

Thales' studies set an example of mental discipline which alone can save humanity, and is far beyond the reach of many of our seats of learning of today.

It was the ancient Greek, Pythagoras, who first declared that the earth is a sphere; that the earth is not the center of the Universe, nor even its most important member.

The City of Athens alone, in one brief span of thirty-five years, produced some of the greatest men the world has ever known. Socrates, Zeno, and Protagoras, the philosophers. Herodotus, the historian. Sophocles and Euripides, the dramatists. Phidias, the sculptor. And Pericles, the democrat. And many others. And the Athens of that day, some four hundred fifty years before Christ, was a city of less than a third the population of our capital city—Sacramento.

This was the so-called "Golden Age." Nor did that Golden Age turn to brass. For centuries Greeks went right on turning out master minds. Plato's "Academy" continued for a thousand years.

And Greece exported her new goods and her new ideas to the whole world of those days: utensils, furniture, interior decorations, drama and the theatre; arms, weapons and military tactics; noble ideals; sane, sound ideas.

They taught that wide-eyed, youthful world that man himself is the measure of things; that man himself could discover virtue, truth, beauty, and honesty within and by, and for himself. They set a mark so high that not all of the civilized world of even today, has yet reached it.

But the Greeks gave us two other institutions, which, in view of the present scene throughout the world, become even greater, even more valuable contributions to our civilization than any of the others I have mentioned.

I refer to the secret ballot and to the institution we call democracy.

The Greek, Cleisthenes, invented the idea of voting. Think of it! A secret ballot twenty-five hundred years ago. He established a law providing for secret ballots to be taken on anyone who "endangered the public safety."

The Greeks gave us not only the practice but the very word itself, Democracy, meaning "rule by the people." This was the kind of people the Greeks were. They had a flair for politics; a passion for democracy.

I have known many men and women of your nationality. From them, I know you have retained and kept alive this passion for democracy. You brought it with you—you and your parents, and their parents—when they came to America. Thus, you have fit readily and well into the American scene, the American scheme of things.

These are days when this tradition, this habit of democracy, this passion for democracy, becomes one of the most important, one of our most cherished possessions.

In this day when fascist philosophers have proclaimed the bankruptcy of our democratic institutions; in this day when dictators jeer at us who practice and believe in free press, free speech, and free assemblage; in this day, we have the most urgent need for citizens who hold firmly to such ideals.

We, in America, have a habit of voting and of abiding by the majority rule as established by our voting. But we also believe in and we practice recognition of the rights of minority groups.

Like ancient Athens, we proudly boast that "not only in politics are we open minded. Without a scrap of jealousy, we tolerate peculiarities of all sorts in each other's daily lives; we have no objection to our neighbor following the bent of his humour."

But these very institutions, these institutions of freedom and democracy, are under most severe attacks on the part of a set of power-crazed dictators who, in their mad scramble of territorial expansion, have yoked their own people with censorships and suppressions, without parallel in modern times.

I am disturbed to find their antidemocratic preachments being propagated and propagandized in these United States.

Let us not be lulled into a false sense of security with the thought that antidemocracy can not take root here.

Let us recognize that we are in the tenth year of the longest, the most severe economic depression in all modern history. Millions of men are out of work. Millions of families have lost their homes. These millions have been frustrated, many of them defeated, in their efforts to regain a hold on the economic bandwagon.

Let us recognize that when people are defeated, when they are frustrated, they fall prey, all too easily, to all sorts of economic schemes, all sorts of promises of economic heaven. They are ready prey for charlatans, including the charlatans of antidemocracy.

Unquestionably, our economy is undergoing changes of far-reaching importance. It is quite impossible to forecast with confidence what our economic life will be like in America a generation hence.

I hope the changes that do occur can be appraised as gains, as net improvements. But I believe, with everything that is in me, that these changes can not possibly be worth while if they are attended by a loss of our liberties, our civil rights. The changes can not be worth while if ordinary citizens may no longer be and act like free human beings. I shall be forever suspicious of any change which can be brought about only if we surrender our democratic processes, our right to speak out in open meeting.

Thus, you see, this occasion affords me an opportunity to speak upon a subject that lies very close to my heart. You are American citizens, representatives of a national minority group. At the same time, you have brought to America's democracy, your own democracy, born some twenty-five hundred years ago and still flourishing. It is like the acacia. It has deep roots. And like the acacia, you have struck deep and permanent roots into the soil of your new homeland.

I feel that it is therefore peculiarly symbolical of the whole American ideal that I have this opportunity to speak to the people of California about American democracy and American liberties through the medium of addressing the members of that great American-Greek organization—The Order of Ahepa.

Some of our institutions show distinct signs of severe economic strain, due to the impact of long-continued economic depression and adversity. It promises to be fairly difficult, in the coming years of transition and change, to preserve these institutions.

But no matter what happens in these coming crucial years, I bespeak, on your part, the most passionate adherence to the one great American institution on which all true Americans meet in common agreement. I refer to the institution of our American liberties, and civil rights, and democratic processes.

I thank you.

LABOR DAY—1939

Address delivered in Civic Center, San Francisco

Ladies and Gentlemen

Labor Day comes according to the calendar on the first Monday in September. It so happens that this year it also comes at the beginning of another world crisis, the beginning of an imperialistic war. Contemplation of its possible extent, its horrors, barbarities, cruelties and devastating consequences to civilization crowds all else out of our minds. Nevertheless, I believe you workers of California will want to hear from the Governor of your State on this day at least brief mention of our internal economic, social and political problems; and what we are trying to do about them. Incidentally, it may be declared that a civilized approach to the solution of similar problems in the rest of the world would mean cooperation instead of war.

I can but barely sketch the outlines of the immediate program of my administration intended to carry forward the principles and policies of government declared in the platform on which I was elected.

We are committed to tackling the problem of unemployment and its relief in a realistic, practical, and at the same time, humane manner, based on the premise that it is not good for either the unemployed man or the community to maintain him in idleness at the level of slow starvation; based on the premise that every needy man, able and willing to work, shall have it; productive work that will enable him to maintain himself and his family in decency. We have already embarked on this program; convinced that it will at once better the condition of the unemployed, better the condition of labor in general, and reduce the load now falling on the taxpayer.

We propose labor legislation along the line of Federal laws, implementing labor's hard-won rights of collective bargaining. We propose other labor measures recognizing and implementing the new position of responsibility now occupied by labor.

We propose farmer legislation and we are now engaged in administrative policies to bring to those who work the farms returns to which they are entitled from the consumer's dollar paid for farm products, to the end that agriculture shall be restored, in California, as a true way of life, rather than an industrial feudalism resting on the backs of peons.

We propose legislation that will fit California into a broad program of social security and social insurance covering not only old age but also the ruinous contingencies of unemployment, injury and sickness.

We propose the widest application of public ownership to the generation and distribution of electric power, and the conservation and distribution of water. As part of this program we declare the necessity for, and our determination to make the great Central Valley Project a 100 per cent public ownership business; so that it will operate for—not against—the general welfare.

We propose legislation to reorganize and streamline numerous departments of our State Government; in order that those departments

shall work more efficiently and more economically, and perform better public services.

We declare the necessity for and our determination to bring usury under control.

We propose the reorganization of our tax structure; in order to encourage home ownership and family life; in order to encourage rather than choke production; in order to discourage land speculation and the wasteful exploitation of our resources.

In the near future, I plan to call upon progressive labor, progressive farmers, progressive educators, progressive business and professional men and women to help promulgate and present to the people for signature and placing on the ballot for adoption at the polls, certain constitutional amendments, required to carry certain parts of this program into effect.

In all such progressive purposes, I feel certain of the support of all progressive elements of our society. I ask for that support and I shall expect the support of all labor. The program which we have set out to accomplish means progress in the reorganization of our industrial life and economy which present conditions demand.

However slow our progress may be; however patient we may have to be; however stubbornly we may have to stand; however many mistakes we or the people may make through our democratic processes, including the use of the people's constitutional initiative, we must make up our minds that we shall continue to build, but that we can build only on sound and secure foundations.

In the brief years since the previous European War, the people have barely started the reorganization of America. In the past few months, only the barest start has been made in California.

The prospect that a new war may now stymie or delay this task is a pathetic, a tragic prospect. But it should serve, I hope, to help orient the American people toward the even greater task that now lies ahead; the task of world leadership, the task of setting an example of peaceful progress through cooperation and unity of purpose for the economic welfare and the social security of all.

With our every thought, is a fervent prayer that we may be able to keep out of war. The value of keeping out of war lies not only in ourselves avoiding the horrors and the losses of war, but in the position we should assume when the peace comes. We should set an example of leadership; leadership and practical help after a destructive war has left whole peoples in hopeless despair.

This new war is already about to plunge the European nations into destruction and barbarity far more ruinous than the World War of a quarter century ago. Can we wonder, therefore, at the scene of utter confusion and the panic which now shakes the world?

Unfortunately, it usually takes a century or so for the people of any country to find out what their country has done. That is why we are only now beginning to understand the nature and true meaning of our own Revolutionary War, our Declaration of Independence, our United States Constitution, our American Bill of Rights. That is why we are only now beginning to understand the contributions made by Jefferson, Jackson and Lincoln to America's folklore and political thinking. The World War is barely a quarter century in the past.

That is why we are still wondering about the part we played in it; wondering why we took any part; wondering how we came to be drawn into it; wondering what, if anything, we accomplished, either for ourselves or for the people of the rest of the world by our participation in it.

It is timely that we should ponder seriously over these things. They should prompt us to ask the more pressing, the more immediate questions, "Can we keep out of this newer war?, this still bigger and more horrible war? How can we keep out of it?"

These questions are of supreme importance to American organized labor. Coming at this time, they make this Labor Day perhaps the most significant in its history.

"Can we keep out of War? How?"

These questions hold greater meaning to laborers and farmers than they do to bankers, and captains of industry and transportation. It would be mostly workers who would be called upon to face the guns of war. But into a war of defense of their country against foreign aggressions, to prevent imperialistic nations from setting foot on American soil or violating our Monroe Doctrine, American Labor should and would voluntarily respond to face the invaders' guns. No conscription would be necessary for the mobilization of the workers of our country in such an event.

Whether we are drawn into another war or not, as I view it, hope for America depends less and less upon the captains of finance; more and more upon the organized workers and farmers; less and less upon Capital; more and more upon Labor.

We are speaking today of a World War of only 25 years ago. Ever since then there has been a constant succession of political crises growing out of economic imbalance and disintegration. Even now, here in this country, we approach the end of ten nerve-racking years of economic depression and uncertainty. Millions of men out of work. Millions of young people practically condemned, either for war's destruction or to lives of idleness and frustration. The perplexing paradox of want and misery in the midst of plenty. These are the evidences of the failure of our organizations; more especially our economic organizations.

The time has come when men must act to repair this failure. If our older social organizations fail to act, then a social vacuum will be created into which some newer organization is bound to flow. Of this we may be very sure. History abounds with examples.

In her early centuries, England had not one king, but many kings. Their inability to keep the peace and protect their people finally brought all England under one king. He was all-powerful.

Then, as time went on, the all-powerful one-king idea failed. A social vacuum resulted. Reorganization became necessary. The Lords stepped in to fill the vacuum and England's Magna Charta was written. In it, the King had to share his power with the Lords.

Things went along with little disturbance thereafter for quite a while—until science gave man the magnetic compass and taught him the arts of navigation; until inventors improved and mechanized weaving, glass blowing, the making and forging of iron, and other mechanical arts. These were the early beginnings of the world of

commerce and industry with which we are so familiar today. They so changed economic forces that the old governmental organization—the King and his House of Lords—ceased to be a source of inspiration and positive action. Their power declined. They could not cope with the new forces released by science and invention. Their failure to respond created a vacuum. Into this vacuum flowed a new organization—the so-called middle class—prototypes of our modern businessman. Out of this there was created a new legislative branch of government—the House of Commons. Through the House of Commons, the middle class shared the power and the responsibility of government.

The winning of Magna Charta, the birth of the House of Commons; these were not exactly mild affairs. They were brought on by economic and social problems that old organizations could not solve. They were attended by many a governmental crisis.

Apparently our world has now come to another such political crisis of economic origin. Old organizations seem to be paralyzed, unable to act. New organizations are flowing into the vacuum.

These new organizations are the working farmers of America and the organized wage workers; acting in self-interest; demanding their place in the American sun.

Here are the conditions, here are the forces that will discover to labor and to working farmers the mutuality and close relationship of their economic interests. Here is the basis upon which they can and they will join hands.

Here are the elements of unity, not only within the ranks of Labor, but in all America.

This, I believe, gives a hint of the future, however dim its outlines may seem. This, I believe, describes the magnificent role that Labor will play in that future; a role loaded with responsibility, fraught with the dangers of failure, but, if successfully met, rewarded by prosperity, power, prestige and peace.

You must assume your share of responsibility for the preservation and expansion of our American civil liberties, our democratic institutions, processes and practices. Your best preparation for this part of your task is to maintain democratic processes, practices and methods in your own organizations.

You share the responsibility for peace and progress. Labor's future is great, because Labor's responsibility is so great.

I thank you.

WESTERN CONFERENCE ON GOVERNMENTAL PROBLEMS

Address of welcome and remarks on "Governmental Problems in the West,"

St. Francis Hotel, San Francisco, October 26, 1939

Mr. Chairman, Distinguished Guests

Ladies and Gentlemen

It affords me the greatest pleasure, personally, and on behalf of the people of my State, to welcome to this Western Conference on Governmental Problems the Governors and other officials of the eleven Western States, which, together, comprise one large unit of these great United States. A natural unit because we have so many interests and problems in common; because we enjoy a remarkable unity of social and spiritual outlook; and because we are the inheritors of the traditions, the free institutions, and the liberal principles that have always characterized the pioneer west.

Although I was more than merely glad to follow the suggestion that the Governor of California issue this invitation, in the hope and anticipation that you would find it convenient to gather here, the major credit must be accorded to Mr. Frank Bane of the Council of State Governments. In him, and in the council, I am sure we all find a most competent and sincere agency: always bent upon the constructive service of modernizing and simplifying the administration of local and State Governments. Mr. Bane has been pursuing his objective of a Western Conference ever since I took office. I, for one, feel he has performed a signal public service in having finally brought us together to compare notes and talk things over.

The arrangements for this conference and its agenda have been made by Mr. Bane and a California committee appointed by me headed by Mr. M. Mitchell Bourquin of this city with Mr. Richard Graves, Secretary of the League of Municipalities of the State of California, as executive secretary. Any success we may achieve in this conference must be duly credited to them and the others who have worked so hard to prepare the way so that we may confine our entire attention to the business in hand.

According to the agenda, I am to speak on and to the question of "Governmental Problems in the West." This, it seems to me, is so very broad that it comes more nearly being the proper title for the whole conference. If I were to cover the ground fully and competently, I would be the one and only speaker and would take not less than the two and one-half days assigned us, and our conference would be a very dull affair indeed.

Therefore, I shall confine my remarks to a few observations indicating my own philosophical approach to the problems of government, and to the mere mention of some of our more acute problems and the briefest discussion of some of these.

It seems to me that the problems of government stem from, grow out of and can not be considered apart from the problems of the people themselves. If we try to separate the one from, and discuss it without reference to the other, we shall be talking in a vacuum and without effect. Therefore, I shall talk directly about the problems of the people, which their governments must solve.

As I view it, the number one problem of the people is the economic problem; which is nothing more nor less than the problem of making a decent living. It has become a horribly uncertain and difficult problem. Our economic system has come to some sort of impasse and we find ourselves in the paradoxical situation of having all the resources and means for producing plenty for all, but lacking the mechanism, the means, the wit, to distribute that plenty.

In this economic blind alley, we find a wall of concentrated wealth, privilege and monopoly practices, flanked by a vast array of entrenched, established institutions and organizations which depend, for their force and effectiveness, upon a folklore and ideology which grew up in, and out of, another day—the day of scarcity. Huddled in this alley, groping for a way out, we find elder citizens stripped of their savings and frantic with fear of poverty and insecurity; ten million able-bodied workers unable to find work in our farms and factories which have become so efficient and productive that we find ourselves maintaining a fifth to a fourth of our population in enforced idleness; millions of boys and girls, fresh from schools where they learned all about democracy, and equality, trying to set foot on the bottom most rung of our economic ladder; millions of small business men and women trying to hold onto their comfortable middle-class thoughts about competition being the life of trade—in a jungle of chain stores, monopolies and fixed prices; and millions of small scale farmers trying to maintain American agriculture as a respectable and secure way of life in competition with industrialized, mechanized and collectivized farming by banks and corporations; labor unions struggling desperately to win for workers their honest and just share of the wealth they create.

The whole scene is remarkable for its paradoxes and conflicts which, by any rational standards, are inexcusable. We have millions of people needing medical attention who can not have it, even though we have plenty of half-idle doctors and dentists. We have never had so many hungry, ill-clad people nor so many bulging warehouses, bulging prisons and bulging hospitals for the mentally sick. We have never had so many children needing milk nor so many dairy farmers struggling to dispose of their milk at fair prices. We have never had so many unemployed in the face of so much work needing to be done.

On top of it all we have never had so much unused knowledge, skill an wit. Small wonder, then, that we have never had so much frustration, mental distress and crime. Small wonder, therefore, that our governmental institutions are so strained at the seams.

If there is anything at all that an economic system must do, or else, it is to instrument the well-being of the people—all of them, at least, who are employable and are willing to work. And that is just what our present system is not doing. At least it is not doing it successfully. Our economic system is not at all easy to describe but its philosophy is rather well epitomized as a system of *laissez faire*—that

is, "let things be as they are." It depends upon the automatic promptings and controls of capitalistic exploitation in an atmosphere of free enterprise; or such is the argument of its defense, first stated by Adam Smith who held that the well-being of all was best served in a society where the individual was free to and did pursue his own interest; free to do just as he pleased with his land, his capital, his money; free to drive the best bargain he could exact. That was 163 years ago. Thomas Jefferson's thinking followed the same pattern when, a few years later, he observed that "that government is best which governs least." *Laissez faire*—let men do as they please.

But the trouble is that the automatic workings of our system are no longer automatic. Wealth is so concentrated, monopolies are so entrenched, that competition is stifled and initiative discouraged. Our anti-trust laws have failed to prevent the evolutionary development of monopolies. Attempts to break them up and enforce competition between their component parts have, for the most part, proved futile and ineffective in results, even when successful as to form.

And so we witness still another paradox; rational people demanding that government "do something" about this, that or the other thing, the while they demand that government keep its nose out of business; otherwise rational men demanding that the budget be balanced, the while they also demand that government stick its nose into business to the extent of doing something special for them—something that will increase the scale of government spending.

It is well to keep this in mind when we hear men talk loosely about government in business, government inefficiency, etc. It is well to keep in mind that although our *laissez-faire* economy served us fairly well up to about a quarter century ago, when it drew us into a world war, it did so very largely because of government subsidies. Ever since the very birth of our Nation, the forces of expansion, development and exploitation have been fostered by doles, subsidies and tangible public aid of every sort.

Free land for soldiers; free land for the settling; mineral wealth for the mere taking; land and cash for the railroad builders; power sites for the asking; patent rights for inventors; protective tariffs for our manufacturers.

And now, in more recent years, we have held our railroads and utilities free from the ruinous competitive practices of the open market. We pay heavy subsidies to encourage aeronautics; to encourage the search for scarce minerals and metals; to maintain the building and construction industries as going concerns; and to assist private banking by guaranteeing their deposits and loans. To these we have added a vast miscellany of government interventional measures; fair trade laws, social security laws, labor and safety standards, collective bargaining; all designed to save business from its own irrational and destructive behavior.

These measures, when adopted, were condemned as "Government in business." But it is well to point out that every one of them came into being, not at the instance of politicians and so-called demagogues, but because of the powerful and effective insistence of first one and then another section of our business and social communities.

Too much government in business may indeed have bad effects, but its critics are entitled to be reminded that effects always have causes; that they might more constructively address themselves to causes. When critics do that, they become statesmen.

Now to sum matters up at this point:

First: Our economic system is not delivering the goods.

Second: This failure subjects all of our institutions, social, economic, religious and political, to the most severe strains and tests.

Third: The price of enduring government is that of making our economic system work well and rationally.

I believe it is now very generally agreed that this is a proper objective of government: to make our economic system work.

And here in America, as I view matters, no means to this end are either workable or justified; no means to this end will meet the approbation of the people except peaceful means, the full retention of our civil liberties and democratic principles, practices and processes of which the American ballot box is the everlasting symbol.

This brings me to the point of mentioning some of the problems which are pressing hardest for solution. It is with no thought of excluding any important problem that I list the following:

1. The unemployed—what to do with them.
2. Old age pensions.
3. Public ownership.
4. Labor.
5. Maintaining civil liberties.
6. Agriculture.
7. Land use.
8. Conservation.
9. Revenue.
10. Planning.

Unemployment

The primary effect, the primary problem growing out of the failure of our economic system to deliver the goods, is that of unemployment. It is my own sincere conviction that if we can induce the reemployment of the unemployed, we shall, almost automatically, eliminate or greatly mitigate a long list of contingent, dependent problems, among them high taxes, bankrupt governments, men too old at 40 to get work, employment for youth, a decent return for working farmers, the depressing effect of unemployment upon wages and organized labor's attempts to maintain wage scales, working conditions and collective bargaining.

The State of California spent over forty million for unemployment relief last fiscal year. This is a terrifying figure and, if we did not have this burden, we could balance our budget and retire our floating debt without enlarging our tax base. But, even so, our relief is scaled to the barest subsistence and there are thousands of families needing relief whose bread winners can not quite qualify under present laws, rules and regulations.

We have been wrestling with this condition for some years. We have reached the conclusions that we must help the involuntarily unemployed; that the dole and other relief methods of the past and

present are not only too costly but ineffective and impractical; that more practical and at the same time far less costly methods must be devolved and put into operation.

We have only lately completed exhaustive studies, undertaken not from the viewpoint of relieving the worst effects of unemployment, but from that of reemploying the unemployed. And we have determined upon a definite program to that end.

Mr. John R. Richards, our Director of Finance and Chairman of our Reemployment Committee, will discuss this study and the resultant plans and recommendations as a part of tomorrow's program. Therefore, I shall not go into details beyond asserting my conviction that it points the way to balanced budgets, to adequate relief, to reemployment, and, above all, to the rehabilitation and restoration of the morale of scores of thousands of workmen and their families who have, for years, suffered worries, frustrations and discouragements that have made life seem to them well nigh hopeless. We do not offer this plan as any Utopia. It rests wholly upon the principle that men must work and produce in order to live and they must be given the opportunity to do so. Our plan is to put unemployed men and women in practical working contact with land and productive equipment.

Old Age Pensions

One of the most spectacular phenomena produced in the ten depression years now just closed is the organized demand for old age pensions. California is one of the principal battle grounds of the pension movements. A very large group of our citizens are quite seriously intent upon making California a proving-ground for their *theory* that State warrants, redeemable in lawful money *if* enough tax stamps are attached, will circulate as money and induce prosperity if distributed as pensions to nonproducers over age 50. Indeed, we are in the very midst of an intensive election campaign to determine whether the plan shall be instituted as a part of our State Constitution with provisions that such unstamped warrants shall be received in payment of taxes and other obligations to State, county and municipal governments. It is not necessary to here describe or brand either the virtuous objectives or the fallacies of the plan. But it must be realized that the conditions producing the demand, and the demand itself for adequate old age pensions, are very real indeed and can not be disregarded. As matters stand now, the State giving the more generous old age assistance is penalized for its generosity by selective immigration by elder citizens hoping to qualify for its benefits. Obviously, only a national pension plan, federally financed and operated, can be free from this serious objection. But until an adequate Federal plan has been adopted, the individual States, in all fairness, can do no less than render the most generous old age assistance their finances will permit.

Public Ownership

Some sixty-five years ago, Jenny Lind and electric lights were P. T. Barnum's main circus attractions. The development and supply of electric power since that time has been one of man's major advances. In recent years, most spectacular water conservation and power developments have been undertaken in our western States. Most notable of these are the Grand Coulee, the Bonneville, the Boulder Dam and

the Central Valley Projects. Because of their great cost they were possible only by and because of the help and cooperation of a liberal and far-seeing Federal Government.

It is now up to the several states and local communities to prepare to use the power from these projects. In the west we do not have all of the materials and facilities for the making and forging of steel. In this, the eastern states enjoy some advantage over us. We can and we shall overcome this advantage by utilizing to the fullest the enormous power resources now placed at our disposal by the Federal Government.

I am one of a great and growing body of citizens who are convinced that we can take this fullest advantage of giant power, of the most modern techniques by eliminating high interest rates and private profits; a combination that is possible only under public ownership.

Tacoma, with the lowest municipal electric rates in the United States, and Seattle are outstanding examples of the possibilities and benefits of public ownership.

Los Angeles enjoys municipally owned and distributed water and power at the lowest rates for any city of like size. And at these rates the water and power bureau is paying off the cost of acquiring and building her plant and making substantial contributions to public charity and to the reduction of taxes. All of this at no cost to the taxpayer except in his capacity as a utility rate payer.

Cheap water and cheap power; these alone account for Los Angeles' extraordinary growth as a great manufacturing and industrial center.

The Central Valley Project, now under construction, will add enormously to the power resources of northern and central California. We have plans to facilitate the distribution of this power, not only to industry, but also to the farmers of the Sacramento and San Joaquin valleys, at much less than present rates. Cheap power means cheap water. Cheap water spells prosperity for the farmers where light rainfall and lowered water tables have forced a reversion of hundreds of thousands of acres of fertile lands to desert.

All this can be accomplished only through a broadly applied, well integrated system of public ownership. That is our plan here in California. We are now engaged in the fight for its accomplishment against the well known methods of obstruction and delay practiced by private interest engaged in public utility business.

Labor

Not the least effect of ten profitless years and the sharpening of the economic problem has been the new and stronger and more commanding status of labor; more especially organized labor. The rise of industrial unionism is most significant, being a natural response of labor organization to giant industrial units with their labor-saving machinery, standardized, repetitive operations and mass production; and the other far-reaching changes that have been going on in industry itself.

But, to me, the rise of labor has a larger significance. We find its historical counterpart in the rise of the middle-class in the Seventeenth and Eighteenth centuries with the advent of capitalism and the institution of private property. Their rise was a long struggle for respect-

ability in a world where the pursuit of business, commerce, manufacturing and trade were beneath the dignity of the "best people."

Labor's rise is likewise a struggle for respectability in a world largely dominated by business men and middle-class thinking. As I view it, we can not serve society by denying labor's claims. We can serve society extremely well by supporting legislation recognizing these claims. These include such measures as the National Labor Relations Act, mediation and arbitration laws, job insurance, old age security, collective bargaining, minimum wage laws.

Civil Liberties

Thomas Jefferson was three thousand miles away during the Summer of 1787 while the United States Constitution was being framed. Nevertheless, he was most potent in securing its adoption. Although he did not personally approve it in all its parts, he urged the Virginia Legislature to ratify it. But he made his endorsement contingent upon assurance that a Bill of Rights would be added by amendment and he submitted a draft thereof.

With but slight change, Jefferson's draft became the first ten amendments of our Constitution. Together with the abolition amendments, they constitute the American Bill of Rights, the basic statement of the civil rights of all citizens. They are that particular part of the Constitution men will struggle hardest to preserve, defend and extend with a vigilance that is constantly needed to prevent their loss. We have only to look abroad where the inability of peoples and their governments to adjust themselves to evolutionary economic changes have resulted in the loss of the elemental individual rights and liberties that give man dignity. And we have only to look about us here at home to realize the recent economic changes that have occurred and that we must accommodate and adjust ourselves and our institutions to these changes or lose our liberties. We may well ask ourselves, "If we lose our civil liberties, will America be any better land to live in than Totalitaria?"

And we most assuredly shall lose our liberties if we acquiesce in their violation. Jefferson, the father of our Bill of Rights, believed they would have to be fought for about every quarter of a century in order to give them life, vigor and meaning to each generation.

Let us therefore resolve that no matter what change our other institutions may undergo, we shall forever defend and preserve our civil liberties, resisting their violation on every front.

Agriculture

A most spectacular example of the effect of economic changes during the past quarter century is seen in the lower level to which the American small farmer has fallen on the economic scale. With other countries having become more self-sufficient agriculturally, his foreign markets have been wiped out or greatly reduced. With tariff protected goods that he must buy and unprotected markets in which he must sell, he, his family and his laborers, have been the natural prey of the favored elements of our society. With mortgage and tax foreclosures, farm lands tend to settle more and more in the hands of corporations, banks, insurance companies and speculators. As if this absentee-

ownership were not bad enough for the community, the newer, more financially able owners have introduced industrial, labor-saving methods and collective farming, financed at low interest rates. Against such combinations, the small farmer, whether he be owner or tenant, has but little chance of survival. About 58 per cent of the productive farm lands of California consist of commercialized farms.

Federal crop control payments were severely criticized as uneconomic and un-American. But they were no worse—and no better—than the “crop control” exercised by industry. Surely it is no worse to not raise cotton, corn or wheat for which there is no adequate market, than to not produce automobiles for which there is no adequate market. But good or bad, crop control payments were thrown out by the Supreme Court. As an alternative way to help the farmer, the Federal Government now pays him to prevent soil erosion, to build up his soil fertility, etc. A generation ago this would have seemed the purest folly. Even today, it seems a round-about way to give practical help to the farmer. Looking at it squarely, it is a Government subsidy. But Government subsidies are a habit with us. It is surely just as proper and effective to subsidize farmers as bankers, industry and the merchant marine. I believe it is more so.

But even so, we have not gone far enough.

Here in California, we are working on still other fronts for the small farmer. We have prorate laws for crop marketing—but their administration was monopolized by the big farm corporations, with definite injury to the small farmers. We are by way of changing this condition. We also propose to make mortgage loans available to the dirt farmer at low interest rates; rates which will comport with the essential permanency of his security and the fact that the dirt farmer and his family are basic elements of our society. We also propose to make crop loans available to small farmers at low interest rates. These loans will leave him free to sow, cultivate and harvest, to market his crops to best advantage to himself; free from domination by the processors, and free from the brokers and other middlemen who stand on the side lines, waiting to exact their tolls for crop loan contracts which not only tell him how he shall conduct his business and how much he may pay his farm laborers, but strip him of all chance of realizing a profit for his year's labor.

We propose to expand the application of our agricultural marketing laws—to the end of reducing the wide margin between the prices the farmer receives and those the consumer pays. We propose in our reemployment program to provide for the exchange of surplus commodities produced by the unemployed for products of our farms for which no cash market is available.

The plight of the American dirt farmer, especially in the West, is bad. Of all the urgent problems pressing for solution, none is more serious, none is more urgent, none is more complicated than that of agriculture. We can not solve our other problems unless we solve this one. We can not shirk or disregard it except at grave peril to society.

Land Use

Still another question for consideration is whether our previous policies in the disposition of State lands and in the matter of land use

and land tenure, should not be changed in order to make sure that these lands shall be put to beneficial use and made available to actual settlers, instead of their titles passing into the hands of speculators. Reservation of a right to reversion to the State, of land which the grantee or his successor shall fail to use for home or to cultivate or otherwise place to beneficial use—in accordance with the terms of the grant, would serve such a policy.

One spectacular feature of this problem is found in the extraordinary number of parcels of land which have reverted to the State through tax delinquencies.

Heretofore, the effort has been to sell these parcels in order to restore them to tax rolls. But here in California and in other states, I dare say, there is more such land than the market will absorb.

The causes of this condition are many and complicated. But it is principally the effect of land speculation. The object of land speculation is to hold it out of use waiting higher prices. High prices for land are bad for the community; bad for farming; bad for home ownership; bad for normal family life.

Of course, much of this tax-reverted land is submarginal. But a great deal of it is good and usable.

It is my belief that we should not try to restore these lands to private ownership except for bona fide occupancy and beneficial use, and not for speculation by cash sales to those who are merely looking for a higher cash market.

Conservation

All of the western states are under a most urgent necessity to conserve their natural resources.

We now find to our dismay that far too much of America's "Success story" has a sequel; of eroded farm lands gutted by flood, cut-over and burned-over forest lands, impoverished soils, lowered water tables, fishless fisheries, gameless hunting grounds, grassless grazing lands and a dust bowl with its thousands of deracinated families wandering up and down the country searching for land where they might once more take root.

Time does not permit a discussion of our predicament. Moreover, this company scarcely needs the instruction.

But there is one problem of the greatest significance to our coast and of only a little less significance to the interior states. I refer to California's oil and gas reserves.

Here are the only effective liquid fuel resources west of the Rockies. Here is the only effective oil and gasoline supply for the coast states and Alaska. Here is the only effective fuel supply for Navy and other national defense operations in the Pacific. Just at present, California's oil fields are the source of liquid fuels for the entire Pacific area.

Our remaining, unexploited oil deposits are, of course, limited. Oil is irreplaceable.

These facts warrant the most drastic steps to prevent waste and stabilize our utilization of oil and gas resources, not only for their conservation but for the benefit of our domestic consumers, in terms of reasonable prices for their products.

It should therefore interest every one of the western states that California is right now debating a ballot measure dealing with this problem. We vote on this measure on November 7th. I am urging the people to vote yes on it.

If adopted, it will give the State an interest in and control over the rate at which oil and gas shall be produced in California; powers to control and prevent waste in their production and to prevent production for sale in foreign markets. Our interest will cover the prices at which oil and oil products are delivered to our domestic consumers. We shall be very interested in the uses to which California oil is put when it moves into foreign commerce.

My own view of this matter is that we do not have enough oil to permit its export for any purpose except our own national defense.

Every one of the western states wants assurance of an adequate supply of oil and oil products for the longest possible time at the lowest possible prices. I rest assured that this want will develop the strongest support of my view.

Revenue

Not the least acute governmental problem, and one which is shared by all states, is that of revenue. Unquestionably, depression increases both the size and the burdensomeness of the tax-load. And there are many who assert that heavy taxes are the cause of depression. My belief is that this is true or false according to the kind of tax.

If a tax chokes consumption; if it discourages home ownership or farming; it definitely contributes to depression. Sales taxes and excessive taxes on improved real estate, improvements and personal property, are of this kind.

But if a tax be scaled and levied according to ability to pay, it definitely contributes to recovery because it tends to equalize the terrifying inequality of income which lies in the roots of our trouble.

Last year (fiscal year ending June 30th, 1938), 27 per cent of all government revenue, Federal, State and local, derived from property taxes; 24 per cent from consumption taxes, and only 21 per cent from ability to pay. The remaining 28 per cent derived from borrowings and miscellaneous tax sources.

If we would revise our tax structures to collect about:

- 18% from property taxes,
- 16% from consumption taxes, and
- 45% according to ability to pay,

I venture to assert that we would experience a most remarkable and salutary improvement throughout our entire economy.

This view is strongly supported by England's experience between wars. Even before embarking on her rearmament program two years ago, England levied 58 to 60 per cent of all her taxes according to ability to pay; that is, by income and inheritance taxes. Harder hit by war, harder hit by world depression, with far heavier per capita taxes than we have, England has a better record for budget balancing than ours of recent years.

Certain difficulties attend the attempt by any one state to up its income and inheritance taxes; the theory, and to some extent the

fact, being that wealth takes flight from the state having the highest income tax. It would be very simple to let our Federal Government levy all income and inheritance taxes and to distribute a fixed percentage back to the several states, to each according to population. This would simplify tax collection, conform with sound economics and serve justice. I, therefore, urge it for the careful consideration of all our Western States.

Planning

It is not necessary to list or appraise the causes in order to recognize that the problems confronting government are far more numerous, far more complex, and infinitely more difficult than those of a generation or two ago. Every day brings the demand that government intervene in, assume control, or even take over this or that business; the demand that the blanket of public subsidy be stretched to cover additional fields of economic and social endeavor.

However meritorious these demands, however urgent, however potent the forces behind them, these demands are over-taxing the digestive capacities of government. The courts, the legislatures and the executives of government are literally jammed. But even if the channels of government were not clogged, on many a demand we lack the full information that is absolutely necessary if we are to act wisely.

This situation gives deserved prominence and importance to the governmental research agencies and state and regional planning boards which have come into being during the past few years. They are now proving their value. In fact, almost without our suspecting it, they have become literally a fourth branch of government—a vital and necessary service branch for the other three.

Foremost among these agencies is the Council of State Governments, headed by Mr. Frank Bane, to whom our principal thanks are due for this conference.

Here in California, at the University, we have a most valuable school of Public Administration headed by Dr. Samuel C. May. This school has already produced a surprising array of research studies covering many problems of government. Their reports are available in printed and mimeograph form and might easily be of great value to executives of other states as they are to us.

California also has a State Planning Board which is undertaking surveys and studies of resources, population, land use, tax-delinquent lands, traffic flow, and many other subjects needing illumination for purposes of legislative and executive action.

It is the purpose of our state administration to raise these research and planning agencies to the high potential of usefulness that new problems impose upon them. We shall urge and encourage them to cooperate with similar agencies in our sister states. We solicit their reciprocal cooperation, all in the belief that we shall discover the mutuality of our interests and establish unity of purpose, program and action.

Once again I state my gratification and that of all California, that this meeting could take place, that it is taking place, and that it is being held in our State.

Once again I welcome you.

I thank you.

FRIANT DAM

*Ground breaking celebration commemorating the start of construction of the
Friant Dam of the Central Valley Project, Friant, California,*

November 5, 1939

Ladies and Gentlemen

This is an hour of great exaltation. You men and women have watched your wells go dry. I know what that means. For twenty years, you have been dreaming, planning, skimping and saving, fighting against the most discouraging odds—looking forward to the realization of this great project. I know what that means too—because, throughout my adult life I have worked for public ownership and the public development and conservation of our natural resources. I am, therefore, intensely proud and deeply grateful that it has fallen to my lot to participate in your festivities and share in these ceremonies, as Governor of our great State.

We are gathered here today, not merely to ceremonialize the starting of work on Friant Dam; but to sound a new note of hope and assurance for the farmers of the San Joaquin.

Ever since the severe let-down following the World War, almost year by year, the working farmer of America has had more difficulty making a living. He has become the easy prey of financiers, packers, processors and other middlemen. Mortgage foreclosures have accomplished an unhealthy concentration of land ownership. Matters have reached the point where the small scale farmer can keep going only at the expense of depleting his soil, and exploiting his laborers and even his own family.

It is not necessary to here recount the long and very complicated story of how all this came about. But it is necessary to know that story in order to understand the present; in order to understand that something had to be done and that a great deal has yet to be done to re-establish farming as a secure way of life.

We can not continue to have popular, liberal and democratic government; we can not hope to maintain our civil liberties; we can not expect to maintain the American way if the working farmer of America is to be pushed down to the level of peasantry and the farm laborer is to become a mere serf or peon.

California is deeply concerned with this problem. A part of the answer is found in the Great Central Valley Project which is an attempt on the part of American liberal government to enter into a partnership with agriculture; a partnership to which government's contribution will be a vast, far-flung, carefully engineered public work, designed to protect the farms of the Central Valleys from floods, to replenish their depleted underground water reservoirs and to bring them large additional dependable supplies of water—cheap water—and, in addition to all this, to make available to the farmers, large new sources of hydroelectric power at rates so low that they can afford to

use it; not only for pumping water but generously for every other domestic need.

As in every partnership, the success of this one depends upon our ability to cooperate.

The Federal Government is financing a major share of the cost, and doing the work. Your State Government is cooperating by supplying engineering data, plans and services, and by facilitating outlets for the sale of water and power at the lowest costs commensurate with sound financing.

The degree of success of the Central Valley Project; the final measure of the benefits realized from it by the farmers, will depend upon the cooperation of the communities comprised by the Central Valleys.

I want to make quite clear just what I mean by this.

It is my firm conviction that the lowest costs for the major benefits of the Central Valley Project can be realized only under a comprehensive system of Public Ownership. Public ownership of every phase of the conservation, diversion, storage and distribution of water; public ownership of every phase of the generation and distribution of electric power.

Your State administration has made, and will continue to make, every possible effort to secure passage of legislation enabling and facilitating public ownership. This will make easier the formation of public utility districts and other cooperative enterprises whereby the farming communities of the Sacramento and the San Joaquin Valleys can ensure getting Central Valley water and Central Valley power at the lowest possible costs. As is now well known, these lowest costs are not possible under private ownership and exploitation so long as the rate payer has to support: the inflated valuations of utility properties now enjoyed by the private utility companies; their capitalization of the right to exploit the rate payer as a valuable intangible asset; the high interest rates these companies pay for their borrowed capital; the high charges for so-called expert management paid by the private utility companies to their parent holding companies; and the very comfortable dividends these companies pay to their stockholders, most of whom live well removed from these valleys.

The farmer's margin of profit has become so very narrow that he can no longer afford the luxury of the private ownership of his water and power utilities.

Before long the people of the northern end of the Central Valleys will enjoy cheap power from Shasta Dam. You in the southern end should have it, too. This will reduce the cost of pumping water. It will give the farmers, in fact, all the people in the south end, all the comforts they can so easily afford with cheap electricity.

To do this, it is absolutely necessary to organize municipal utility districts for public distribution of power.

We have a program of action which requires adoption by our Legislature. It will enable your State Government to assist you energetically in forming effective local utility districts for the distribution of power, and thus make electric power available to you at the low rates you need.

I hope you will work for and support passage of this legislation.

And now I am given the privilege of presenting on this program, our most distinguished guest, the member of the Cabinet of the President of the United States who has charge of and who, from its inception, has directed this great development as a Federal project.

No man has ever occupied that office with a more perfect understanding of our problems, or stronger grasp of sound national policies for their solution, than our distinguished guest.

Personally, I regard the Honorable Harold L. Ickes as the greatest Secretary of the Interior our United States of America has ever had. I am proud to present him to you.

FARM BUREAU FEDERATION

Address to the annual convention, San Diego, November 14, 1939

*President Wiser, Distinguished Guests, Members and Friends
of the California Farm Bureau Federation*

Ladies and Gentlemen

Last year you were kind enough to invite me to address your Sacramento Convention. I very much wanted to, but the extraordinary press of duties falling upon a Governor-elect made it quite impossible.

However, you have now had nearly a year to observe my actions as Governor. Actions speak louder than words. Therefore, that which I have to say to you this evening will have more meaning than if I had said it to you a year ago. At any rate, I am very grateful that you again invited me to address you. I am glad to be here.

I assume that you want me to discuss the "farm problem." Since my office requires that I observe and discuss many problems: Industrial, commercial, financial, transportation, labor, legislative, judicial, executive, administrative, taxation, economic and social problems—to make no mention of oil and pensions, you will understand perfectly and accept the fact that my discussion of farm problems is from a multiple viewpoint. Naturally, I must not only see your problems, from your viewpoint, but I must also see them in their larger setting; in their relation to and effect upon the problems of all other groups within our society. Because, collectively, these problems are the problems of government.

Another way of saying it is that the problems of government stem from and grow out of and can not be considered apart from the problems of the people themselves. If we try to separate the one from, and discuss it without reference to the others, we shall be talking in a vacuum and without effect. Therefore, I shall talk directly about the problems of the people, which their governments must solve.

As I view it, the number one problem of the people is the economic problem; which is nothing more nor less than the problem of making a decent living. It has become horribly uncertain and difficult. Our economic system has come to some sort of impasse and we find ourselves in the paradoxical situation of having all the resources and means for producing plenty for all, but lacking the mechanism, the means, the wit, to distribute that plenty.

In this economic blind alley, we find a wall of concentrated wealth, privilege and monopoly practices, flanked by a vast array of entrenched, established institutions and organizations which depend, for their force and effectiveness, upon a folklore and ideology which grew up in, and out of, another day—the day of scarcity. Huddled in this alley, groping for a way out, we find elder citizens stripped of their savings and frantic with fear of poverty and insecurity; ten million able-bodied workers unable to find work in our farms and factories which have become so efficient and productive that we find ourselves maintaining a fifth to a fourth of our population in enforced idleness; millions of boys and girls, fresh from schools where they learned all about democ-

racy, and equality, trying to set foot on the bottommost rung of our economic ladder; millions of small business men and women trying to hold onto their comfortable middle-class thoughts about competition being the life of trade—in a jungle of chain stores, monopolies and fixed prices; and millions of small scale farmers trying to maintain American agriculture as a respectable and secure way of life in competition with industrialized, mechanized and collectivized farming by banks and corporations; labor unions struggling desperately to win for workers their honest and just share of the wealth they create.

The whole scene is remarkable for its paradoxes and conflicts which, by any rational standards, are inexcusable. We have millions of people needing medical attention who can not have it, even though we have plenty of half-idle doctors and dentists. We have never had so many hungry, ill-clad people nor so many bulging warehouses. We have never had so many children needing milk nor so many dairy farmers struggling to dispose of their milk at fair prices. We have never had so many unemployed in the face of so much work needing to be done.

On top of it all we have never had so much unused knowledge, skill and wit. Small wonder, then, that we have never had so much frustration, mental distress and crime. Small wonder, therefore, that our governmental institutions are so strained at the seams.

If there is anything at all that an economic system must do, it is to instrument the well-being of the people—all of them—all of them, at least, who are employable and are willing to work. And that is just what our present system is not doing. At least it is not doing it successfully. Our economic system is not at all easy to describe but its philosophy is rather well epitomized as a system of *laissez faire*—that is, “let things be as they are.” It depends upon the automatic promptings and controls of capitalistic exploitation in an atmosphere of free enterprise; or such is the argument of its defense, first stated by Adam Smith who held that the well-being of all was best served in a society where the individual was free to and did pursue his own interest; free to do just as he pleased with his land, his capital, his money; free to drive the best bargain he could exact. That was 163 years ago. Thomas Jefferson’s thinking followed the same pattern when, a few years later, he observed that “that Government is best which governs least.” *Laissez faire*—let men do as they please.

But the trouble is that the automatic workings of our system are no longer automatic. Wealth is so concentrated, monopolies are so entrenched, that competition is stifled and initiative discouraged. Our antitrust laws have failed to prevent the evolutionary development of monopolies. Attempts to break them up and enforce competition between their component parts have, for the most part, proved futile and ineffective in results, even when successful as to form.

And so we witness still another paradox; rational people demanding that government “do something” about this, that or the other thing, the while they demand that government keep its nose out of business; otherwise rational men demanding that the budget be balanced, the while they also demand that government stick its nose into business to the extent of doing something special for them—something that will increase the scale of government spending.

It is well to keep this in mind when we hear men talk loosely about government in business, government inefficiency, etc. It is well to keep in mind that although our *laissez faire* economy served us fairly well up to about a quarter century ago, when it drew up into a world war, it did so very largely because of government subsidies. Ever since the very birth of our Nation, the forces of expansion, development and exploitation have been fostered by doles, subsidies and tangible public aid of every sort. Free land for soldiers; free land for the settling; mineral wealth for the mere taking; land and cash for the railroad builders; power sites for the asking; patent rights for inventors; protective tariffs for our manufacturers.

And now, in more recent years, we have held our railroads and utilities free from the ruinous competitive practices of the open market. We pay heavy subsidies to encourage aeronautics; to encourage the search for scarce minerals and metals; to maintain the building and construction industries as going concerns; and to assist private banking by guaranteeing their deposits and loans. To these we have added a vast miscellany of government interventional measures; fair trade laws, social security laws, labor and safety standards, collective bargaining; all designed to save business from its own irrational and destructive behavior.

These measures, when adopted, were condemned as "Government in business." But it is well to point out that every one of them came into being, not at the instance of politicians and demagogues, but because of the powerful and effective insistence of first one and then another section of our business and social communities.

Too much government in business may indeed have bad effects, but its critics are entitled to be reminded that effects always have causes. They are entitled to be reminded that they might more constructively address themselves to causes. When critics do that, they become statesmen.

Now to sum matters up at this point:

First: Our economic system is not delivering the goods.

Second: This failure subjects all of our institutions, social, economic, religious and political, to the most severe strains and tests.

Third: The price of enduring government is that of making our economic system work well and rationally.

I believe it is now very generally agreed that this is a proper objective of government: to make our economic system work.

And here in America, as I view matters, no means to this end are either workable or justified: no means to this end will meet the approbation of the people except peaceful means, the full retention of our civil liberties and democratic principles, practices and processes of which the American ballot box is the everlasting symbol.

This brings me to the point of mentioning some of the problems which are pressing hardest for solution. It is with no thought of excluding any important problem that I list the following which hold special interest for farmers:

- | | |
|-----------------|---------------------|
| 1. Unemployment | 4. Revenue |
| 2. Pensions | 5. Public Ownership |
| 3. Labor | 6. Agriculture |

Unemployment

The primary effect, the primary problem growing out of the failure of our economic system to deliver the goods, is that of unemployment. It is my own sincere conviction that if we can induce the reemployment of the unemployed, we shall, almost automatically, eliminate or greatly mitigate a long list of contingent, dependent problems, among them high taxes, bankrupt governments, men too old at 40 to get work, employment for youth, the depressing effect of unemployment upon wages and organized labor's attempts to maintain wage scales, working conditions and collective bargaining, and a decent return for working farmers.

The State of California spent over forty million for unemployment relief last fiscal year. This is a terrifying figure and, if we did not have this burden, we could balance our budget and retire our floating debt without enlarging our tax base. But, even so, our relief is scaled to the barest subsistence and there are thousands of families needing relief whose bread winners can not quite qualify under present laws, rules and regulations.

We have been wrestling with this condition for some years. We have reached the conclusions that we must help the involuntarily unemployed; that the dole and other relief methods of the past and present are not only too costly but ineffective and impractical; that more practical and at the same time far less costly methods must be devised and put into operation.

We have only lately completed exhaustive studies, undertaken not from the viewpoint of relieving the worst effects of unemployment, but from that of reemploying the unemployed. And we have determined upon a definite program to that end.

It is outlined in what has become known as "The Richards Report," by the Governor's Committee on Reemployment which I appointed early this year. This report has received country-wide acclaim from experts and leaders in all walks of life. Your own deep and inescapable interest in the subject of unemployment is well proved by the fact that your officers requested and we supplied your organization with 350 copies of the report, so that you might have the opportunity to analyze its recommendations.

I shall not go into the details of the report beyond asserting my conviction that it points the way to balanced budgets, to adequate relief, to reemployment, and, above all, to the rehabilitation and restoration of the morale of scores of thousands of workmen and their families who have, for years, suffered worries, frustrations and discouragements that have made relief seem to them well nigh hopeless. We do not offer this plan as any Utopia. It rests wholly upon the principle that men must work and produce in order to live and they must be given the opportunity to do so. Our plan is to put unemployed men and women in practical working contact with land and productive equipment.

Old Age Pensions

One of the most spectacular phenomena produced in the ten depressed years now just closed is the organized demand for old age pensions. California has just been a principal battleground of a pension movement. Since it is all so recent, and since my own views

were rather well published, I shall not here attempt a broad statement. It must be realized that the conditions producing the demand, and the demand itself for adequate Old Age Pensions, are very real indeed and can not be disregarded. Obviously, only a national pension plan, federally financed and operated, would make for uniformity and equality of citizens of all states in the distribution of Old Age Pensions. But until an adequate federal plan has been adopted, the individual states, in all fairness, can do no less than render the most generous old age assistance their finances will permit.

Labor

Because agriculture is part of our general economy, it is affected, one way or another, by the conditions faced by other groups. It has been said that half of the farm problem is on the farm; the other half is in the city. Particularly is this true for California agriculture. Your welfare is measured directly in terms of consumer purchasing power. How important this consumer purchasing power is, particularly for California's specialty crops, may be easily visualized in the authoritative statement recently made by the president of the Federal Surplus Commodities Corporation who described lack of demand in these graphic words:

"There are 40,000,000 Americans living in families whose average cash income is only \$9 a week. Imagine what a job it would be for any of us in this room to pay house rent, to feed and clothe our families, and try to educate our children on less than \$40 a month. About one-half of these 40,000,000 persons are getting some sort of public assistance. Studies indicate that they spend an average of about \$1.00 a week per person for food. That's fifteen cents a day—five cents a meal. No wonder farmers are having trouble finding a broad enough market for what they produce. No wonder malnutrition is a headache for the Public Health Service. No wonder it has been a tough job for business men to make a decent living when a third of their customers have done more window-shopping than cash buying.

"In other civilizations, men have suffered from famine, disease and local despots, but this is the first time in written history when men have suffered because they were surrounded by too much of the things they needed most. If it were not so tragic, we could laugh about it. Fifty years from now, men will."

Labor is your best customer. A substantial purchasing power for the man who carries the dinner pail and wears the overalls means the largest return and the best possible security for the man who fills the milk pail and the bread basket.

I should like to tell you just a little bit of where I believe the organized labor movement fits into the American scene.

Not the least effect of ten profitless years and the sharpening of the economic problem has been the new and stronger and more commanding status of Labor; more especially organized Labor. The rise of industrial unionism is most significant, being a natural response of labor organization to giant industrial units with their labor-saving machinery, standardized, repetitive operations and mass production; and the other far-reaching changes that have been going on in industry itself.

But, to me, the rise of Labor has a larger significance. We find its historical counterpart in the rise of the middle-class in the Seventeenth and Eighteenth centuries with the advent of capitalism and the institution of private property. Their rise was a long struggle for respectability in a world where the pursuit of business, commerce, manufacturing and trade were beneath the dignity of the "best people."

Labor's rise is likewise a struggle for respectability in a world largely dominated not by farmers but by business men and middle-class citizens. As I view it, we can not serve society by denying labor's claims. We can serve society extremely well by supporting legislation recognizing these claims. These include such measures as the National Labor Relations Act, mediation and arbitration laws, job insurance, old age security, collective bargaining, minimum wage laws.

Revenue

One of the most difficult of the farmer's problems is that of taxation. The problem is not merely that the aggregate of taxes is a heavy burden. In fact, it is more especially a problem of how these taxes are levied—upon whom—upon what—and in what proportions.

My contention is that our present taxes are levied in a manner that imposes a grossly unfair and uneconomic share of the total tax burden upon home owners and upon small-scale farmers, farmers who are trying to make agriculture and rural living their "way of life."

Our tax structure resembles, not a well planned house in which each part is rationally related to every other part, but rather it resembles the famous Winchester House at San Jose, which grew and grew, room by room, without plan, rhyme or reason, until it now presents an absolutely bewildering array of rooms and additions; all connected in some way, but having no relation each with the other.

It is high time that we examine our tax structure with a view to making it fit, not the economic conditions of a generation ago, but today's conditions.

I can not here go into a long discussion of tax theories but there are just a few points to which I wish to draw your special attention in your capacity as farmers.

Not all taxes are bad. In fact, some taxes have a definitely beneficial social effect.

If a tax chokes consumption; if it discourages farming; if it discourages home ownership and family life—then, such a tax is regressive and definitely contributes to continued depression. Sales taxes and excessive taxes on improved real estate and personal property are of this kind.

But if a tax be scaled, not so much according to what a man may have, but according to his ability to pay, then such a tax definitely contributes to recovery, because it tends to equalize the appalling inequality of income which lies at the very roots of our economic difficulties.

Income and inheritance taxes are of this kind.

Of all government revenues, Federal, State and local, the country over, 27 per cent derive from property taxes, 24 per cent derive from consumption taxes and only 21 per cent derive from ability-to-pay taxes.

Twenty-seven per cent is much too high a proportion to collect from property taxes. It bears down very hard on farmers, especially small scale farmers. So does the 24 per cent of consumption taxes.

Large industrialized farms are better able to bear this heavy burden because their unit production costs are less and also because they are so often owned or controlled by interests which also own or control packing and marketing facilities. These interests are thus in a much better position to obtain profitable prices for their farm produce than the small farmer. Thus, in urging lower real estate and consumption taxes, I do so because of the special need of the small-scale farmer.

I believe real estate and consumption taxes should be reduced by at least one-third, and that the loss of revenue should be made up by increased income and inheritance taxes.

In other words, if we would adjust our tax system—Federal, State and local—so as to collect about 18 per cent from property taxes, 16 per cent from consumption taxes and 45 per cent to 50 per cent from ability to pay; if we would do this, the American farmer, including the working farmer of California, would have a reasonable chance to change from denims to woollens, a chance to climb into a new car and rejoin the American middle class.

Such an adjustment of our tax system would undoubtedly work a most remarkable and salutary improvement throughout our entire economy.

Ever since the World War, England has been collecting some 58 to 60 per cent of all her taxes according to ability to pay; that is, through income and inheritance taxes. In spite of the fact that England was much harder hit by war, much harder hit by depression, carrying a higher proportionate load of unemployment dole, and collecting much higher per capita taxes than the United States; in spite of all this, England has done a much better job of budget balancing, and enjoyed a more equable economy than we in America.

It will not be easy to effect the tax revision I here suggest. We shall have to overcome the "tax habits" of both the Federal Government and those of the several states. We shall be most bitterly opposed by men and women of great wealth and income, and by most, if not all, of the large vested interests. They always have fought adequate income tax laws because such laws would compel them to pay their full fair share of the costs of government.

It is, and it shall continue to be my policy throughout my administration to urge the changes in our local, State and Federal tax laws that will adjust our tax system along the lines I have discussed.

Every consideration of self interest, to say nothing of equity and justice, should prompt the California farmer, especially the small-scale farmer, to endorse and support my tax program.

Public Ownership

One of the most effective methods for improving the farmer's condition is to help him to obtain lower utility rates. Some sixty-five years ago, Jenny Lind and electric lights were P. T. Barnum's main circus attractions. The development and supply of electric power since that time have been one of man's major advances. In recent years,

most spectacular water conservation and power developments have been undertaken in our western states. Most notable of these are the Grand Coulee, the Bonneville, the Boulder Dam and the Central Valley Projects. Because of their great cost they were possible only by and because of the help and cooperation of a liberal and far-seeing Federal Government.

It is now up to the several states and local communities to prepare to use the power from these projects. In the west we do not have all of the materials and facilities for the making and forging of steel. In this, the eastern states enjoy some advantage over us. We can and we shall overcome this advantage by utilizing to the fullest the enormous power resources now placed at our disposal by the Federal Government.

I am one of a great and growing body of citizens who are convinced that we can take this fullest advantage of giant power, of the most modern techniques by eliminating high interest rates and private profits; a combination that is possible only under public ownership.

Tacoma, with the lowest municipal electric rates in the United States, and Seattle are outstanding examples of the possibilities and benefits of public ownership.

Los Angeles enjoys municipally owned and distributed water and power at the lowest rates for any city of like size. And at these rates the Water and Power Bureau is paying off the cost of acquiring and building her plant and making substantial contributions to public charity and to the reduction of taxes. All of this at no cost to the taxpayer except in his capacity as a utility rate payer.

Cheap water and cheap power; these account for Los Angeles' extraordinary growth as a great manufacturing and industrial center.

The Central Valley Project, now under construction, will add enormously to the power resources of northern and central California. We have plans to facilitate the distribution of this power, not only to industry, but also to the farmers of the Sacramento and San Joaquin Valleys, at much less than present rates. Cheap power means cheap water. Cheap water spells prosperity for the farmers where light rainfall and lowered water tables have forced a reversion of hundreds of thousands of acres of fertile lands to desert.

All this can be accomplished only through a broadly applied, well integrated system of public ownership. That is our plan.

Agriculture

A most spectacular example of the effect of economic changes during the past quarter century is seen in the lower level to which the American small farmer has fallen on the economic scale. With other countries having become more self-sufficient agriculturally, his foreign markets have been wiped out or greatly reduced. With tariff protected goods that he must buy and unprotected markets in which he must sell, he, his family and his laborers, have been the natural prey of the favored elements of our society. With mortgage and tax foreclosures, farm lands tend to settle more and more in the hands of corporations, banks, insurance companies and speculators. As if this absentee-ownership were not bad enough for the community, the newer, more financially able owners have introduced industrial, labor-saving

methods and collective farming, financed at low interest rates. Against such combinations, the small farmer, whether he be owner or tenant, has but little chance of survival. About 58 per cent of the productive farm lands of California consist of commercialized farms.

Federal crop control payments were severely criticized as uneconomic and un-American. But they were no worse—and no better—than the “crop control” exercised by industry. Surely it is no worse to not raise cotton, corn or wheat for which there is no adequate market, than to not produce automobiles for which there is no adequate market. But good or bad, crop control payments were thrown out by the Supreme Court. As an alternative way to help the farmer, the Federal Government now pays him to prevent soil erosion, to build up his soil fertility, etc. A generation ago this would have seemed the purest folly. Even today, it seems a round-about way to give practical help to the farmer. Looking at it squarely, it is a government subsidy. But government subsidies are a habit with us. It is surely just as proper and effective to subsidize farmers as bankers, industry and the merchant marine. I believe it is more so.

But even so, we have not gone far enough.

Here in California, we are working on still other fronts for the small farmer. We have prorate laws for crop marketing—but their administration was monopolized by the big farm corporations, with definite injury to the small farmers. We are by way of changing this condition.

We also propose to make mortgage loans available to the dirt farmer at low interest rates; rates which will comport with the essential permanency of his security and the fact that the dirt farmer and his family are basic elements of our society.

We also propose to make crop loans available to small farmers at low interest rates. These loans will leave him free to sow, cultivate and harvest, to market his crops to best advantage to himself; free from domination by the processors, and free from the brokers and other middlemen who stand on the side lines, waiting to exact their tolls for crop loan contracts which not only tell him how he shall conduct his business and how much he may pay his farm laborers, but strip him of all chance of realizing a profit for his year's labor.

We propose to expand the application of our agricultural marketing laws—to the end of reducing the wide margin between the prices the farmer receives and those the consumer pays. We propose in our reemployment program to provide for the exchange of surplus commodities produced by the unemployed for products of our farms for which no cash market is available.

The plight of the American dirt farmer, especially in the West, is bad. Of all the urgent problems pressing for solution, none is more serious, none is more urgent, none is more complicated than that of agriculture. We can not solve our other problems unless we solve this one. We can not shirk or disregard it except at grave peril to society.

There are many other governmental problems in which farmers have a legitimate and active interest. These include the problems of tax-delinquent lands, land use, grazing, reforestation, water supply and seasonal farm labor. I shall not go into these matters beyond their mere mention because of time limitations. But I believe I have said

enough to fully indicate the general attitude of my administration toward them.

I firmly believe that our policies, in their relation to working farmers, are progressive and constructive. I appointed Mr. W. B. Parker, one of your own active members and a past president of your largest county unit, as Director of Agriculture. I appointed him because he was fully acquainted with California agriculture and its problems; because he was intimately acquainted with the Federal farm program; because he held progressive views of the farm problem, views in which I concurred; and because he concurred in many of my views on other subjects related to agriculture, such as the subject of public ownership of electric utilities.

Naturally, I want, and I solicit your cooperation and support. In fact, I believe I do enjoy the sympathy, the confidence and the support of the great majority of the rank and file of California's farmers.

You can easily guess, therefore, that it has been a matter of deepest concern and disappointment to me, on many occasions, to discover your leaders opposing my program in many of its parts—very important parts, incidentally, of the greatest significance to working farmers.

I am frank to say that I have been puzzled to find any group of working farmers opposing our Central Valley Project plans. They will not only hasten the realization of its fullest benefits. They will bring cheap water and cheap electric power to the farmers of the Sacramento and the San Joaquin.

I was puzzled to find farm bureau leaders opposing our relief program which is designed to take the unemployed off the dole and lift them off the backs of the taxpayers. Today, in Los Angeles County, 60 per cent of the county tax revenues are spent for relief in its many forms. Today, if we only could drop all unemployment relief, our State Government would be on a pay-as-you-go basis. We could pay off the State deficits without enlarging our tax basis.

All about you, you see the evidences of how heavily the relief burden bears down on California's dirt farmer. In fact, thousands of them have been themselves forced on relief.

I have been puzzled by the opposition by your leaders to our tax revision program. It is perfectly true that it would have meant a larger aggregate of State taxes and that some few farm owners would have had to pay heavier taxes; net income taxes. But for the most part, these few farm owners are not farmers but large corporations, banks and insurance companies who find themselves possessed of a very high percentage of California's best farm lands. I can readily understand that their tax policies would be dictated, not by their land holdings and agricultural operations, but by their other interests. I can understand why they are perfectly willing to pay high taxes on their farm lands so long as they can escape paying income taxes on their net profits. I can understand why they, therefore, pose as dirt farmers and try to dominate farm organizations, but I take the position that their views on taxation and on a lot of other matters affecting small farmers, are in direct conflict with and actually subversive of the interests of small-scale farmers.

I want to see California agriculture remain a way of life—if you please—where the people who own the farms shall work them and live on them.

A study of your own official statements and literature persuades me that you are liberal and progressive. For example, the following statement is quoted from one of your publications: I quote,

“The chief objective and immediate responsibility of Farm Bureau is to restore and maintain for American farmers their rightful position in the economic life of the nation.”

This is indeed a challenging statement. It is impressive. It points out directly that social justice and economic equality have been lost to agriculture, and must be regained. It infers that farmers have been exploited. It admits that other economic groups have taken undue advantage of those who live upon and work the land and produce society's basic economic essentials. It means that farmers and their families are not enjoying their just share of the national wealth and national income which they themselves create.

These are important and significant facts. In fact, they practically define the so-called farm problem. They imply that changes are needed; that all is not well with our present economic system; that improvements, amendments, betterments have to be brought about.

We solicit your support because we recognize these facts and these needs and we propose measures required to translate them into action.

I turn to one of your printed membership appeals. There I find a series of questions which you, as members of the California Farm Bureau Federation, are asked to submit to neighbors who have not as yet joined your organization. I quote these questions verbatim:

“Are you satisfied with your income?

“Are you content with farm conditions as they are?

“Are you convinced that your taxes are fair and equitable; or are they too high?

“Are you content with the interest rates you pay; are you sure they will remain at satisfactory figures?

“Are you satisfied that you are getting the lowest possible power and transportation rates; if so, are you assured they will not be increased?

“Are you satisfied with the cost of medical care and hospitalization?

“Is your family adequately cared for?

“Do you think farmers should have a voice in determining agricultural policies and administering agricultural programs in the State and Nation?

“Are you satisfied to let other groups and industries dominate national policies often to your disadvantage?

“Are you satisfied that you, as an individual, can overcome the problems that confront you today?

“And lastly, do you think the farmer should lose all control of his product, so far as its selling price is concerned, the moment it leaves his premises?”

These membership-appeal questions are followed by the statement that the “Farm Bureau is constantly attacking these and other problems,” and that “if you are not satisfied with the conditions which

these questions suggest, you should be a Farm Bureau member and help to do something about them.”

I ask your leave to use these very questions in soliciting your support of our program.

I ask you to reexamine our administration's attitudes and our program on their own merits. I ask you to criticize them for what effect—good or bad—they will have on working farmers.

You have been extremely patient and attentive—for which I am most grateful.

I have tried to talk not only about the farm problem itself, but about many other subjects. I did so in the hope of conveying to you my belief the farm problem can no more be solved by itself and without reference to the problems of labor, industry and other groups, than can the problems of these other groups be solved by themselves and without reference to the problems of farmers.

I believe that the forces which do and will bring us all together are far stronger than those which tend to draw us apart.

Let me once more tell you how very grateful I am for this opportunity to address you.

I thank you.

STATE CHAMBER OF COMMERCE

*Address before the 14th annual State-wide meeting, Palace Hotel,
San Francisco, December 1, 1939*

*President McFadden, Members of the California State Chamber
of Commerce*

Ladies and Gentlemen

I have had occasion to criticize rather severely some of the activities of this organization which I believe inimical to the general welfare and to the welfare of the members of this organization. I willingly accepted your invitation to meet with you because, as Governor, I believe it is my duty to do so and engage in an exchange of views which is always conducive to a better understanding and sometimes leads to real cooperation and I am frank to say I would like your cooperation instead of your opposition in the performance of my duties as Governor.

It is necessary for the State's chief executive to evaluate properly every viewpoint on every major problem, to consider seriously all of the solutions which are suggested, and to recommend remedies that are fair and equitable, and in the general interest. To do otherwise, would be to act discriminately, and in a biased and prejudiced manner. This would not meet with your favor nor with the approval of other intelligent groups. Under a democracy, all citizens and all groups must enjoy the same privileges and the same opportunities. That is the least that government can do for its people. The guarantee of these rights, privileges and opportunities to all groups and to all individuals is government's most sacred obligation. Governmental disintegration always begins with special privilege. So does economic disintegration.

I congratulate you on the character of your program. Its agenda is most impressive. In fact, it is practically all-inclusive. Its topics cover the all-important problems which California faces. These problems and our responsibility to find the way to their solution are constantly on my mind. They absorb my energies. Each day brings me concrete references to these problems in one form or another, accompanied by requests for their solution.

If you and I were to discuss the problems of the day with every person in California, I believe the answers we would receive would be almost identical. All would revolve around the so-called economic problem. To some, this problem means the opportunity of making profits. To others, it means the protection of investments, savings, and holdings. To many, it means the desire to engage in business. To a great many, it means the need for a more adequate return for services rendered and to a great many more, the problem is one of finding jobs which do not exist. To all, it means the hope of a decent living, of some sort of economic security, of an opportunity to enjoy the standards of a modern civilization.

There is no quarrel, therefore, with the basic character of the problem itself. Everybody agrees that the problem is here; that it has been here for a long time; and that it has been growing steadily more

complicated. The only differences of opinion, concerning this problem, are those which involve its solution. Apparently, there are as many diametrically contradictory solutions as there are economic groups. This condition naturally leads to an economic impasse and prevents progress. Under this condition, a democratic commonwealth becomes a boiling caldron of conflicting groups, each refusing to recognize the rights of others, and each striving to obtain for itself special privileges and special rights that are not in the public interest or for general welfare.

According to the actions of all economic groups, the relation of government to its people is not a controversial subject, although individual groups seem to regard it as controversial. Modern democratic government has truly become a government of high pressure groups, each of which insists upon the passage and the enactment of legislation which would serve the special rights and special privileges of those groups. If we are to be consistent, fair and just, the least we can do is not to accord the rights and privileges to some groups that we would deny to others. You, as business and industrial leaders of California, would subscribe to this platform, and so would all other economic groups within the State.

I submit the premise that there can be no prosperity at the top unless there is prosperity at the bottom. All prosperity is interrelated. Its diffusion is only a matter of adequate distribution. I champion the cause of the underprivileged, not only because they need help, but because the improvement of their economic conditions reflects in comparable improvements of the economic conditions for all other groups. This fact is so obvious that I fail to understand why any program, that would serve to elevate the living standards of the less fortunate, should be opposed.

I assume there is not one business leader or industrialist in this room who has not heard of Edward A. Filene. Mr. Filene was one of the Nation's outstanding merchant princes. His enterprises made him millions. His name, in the business world, is synonymous with those of Marshall Field and John Wanamaker. Mr. Filene once told me he did not consider that millions he accumulated from other peoples' earnings really belonged to him and he used many of his millions on projects that would improve our economic and social structures.

In 1934, Edward A. Filene delivered an address at the University of California, entitled "Morals in Business." What he had to say at that time is so compelling, and holds so true today, that I want to repeat one of his epigrammatic statements verbatim.

"There are two ways of becoming good. One is to become interested in goodness. The other is to become interested in the facts of life. It is not the evil-minded but the absent-minded who constitute our Public Enemy No. 1. I have discovered that business can not sell more than the people as a whole can buy; and that it is the function of business to provide the people with buying-power. I have discovered that high wages, instead of meaning an additional expense to business, are necessary to business success, and actually result in lower labor costs per unit of product, which is the only sane way to figure labor costs. The whole immoral, sinful wastes of production, and still worse, of distribution, must be eliminated. Business must be dedicated to human service."

I would like to convince you that not only must business be dedicated to human service but government must be consecrated to the needs of its people. The government is merely its people—all of its people. It is physically impossible to draw a line of demarcation between government and people. As a matter of fact, the more complicated society becomes; the higher the standards of living; the keener the competition, between individuals and groups; and the more bitter the struggle for existence against forces and conditions, which themselves are a result of cruel progress, the greater the need for reliance upon government to work out the rules of the game of life and living which the individual and his group can not do.

No business man in California, or in the United States, can possibly approve the economic paradox in which we are all involved. On the one hand, we have unlimited resources, unlimited production, unlimited goods and services. On the other hand, we have human misery and privation such as a comparable civilization never experienced. A limitless amount of work to be done; and millions of unemployed. A tremendous surplus of food to be consumed; and no purchasing power with which to buy it. Professional service available to those who need it; and those who require it unable to pay for it. What a price to exact for the industrialization we have built!

That there must be some solution for our present economic dilemma, is undebatable. I would like to persuade you that that solution lies along the avenue of cooperation, conciliation, and of giving as well as taking. There is no other way out. It is not a question of more government or less government; of more taxation or less taxation; of more governmental services or less governmental services. It is a question of creating a balanced economy, irrespective of the cost, so that general welfare may be guaranteed; special rights and special privileges eliminated; equality of opportunity restored; and those emoluments and standards, demanded by a civilization growing more complicated each day, may be increased.

In this broad, philosophical, yet practical attack upon the problem of the day, I seek your cooperation and suggestions as I do the cooperation and suggestions of all other groups in California. My own approach to our economic problem is not that of mere partisanship or political expediency. It is to recognize the conditions and causes of the problem and proceed with its solution safely, soundly, practically and as progressively as possible. If I could persuade you to adopt the same nonpolitical approach I would feel that I had made an outstanding contribution. If, in addition, I could induce you to study this problem, not only from your viewpoint, but from the viewpoint of others whose welfare is the base upon which your welfare is pyramided, I would feel that I had made a still greater contribution.

All conditions result from specific causes. Most of the economic clashes, so disturbing to everybody, are due primarily to some element of unfairness. Remove this factor, and peace and tranquility are substituted immediately for strife and combat. Conscience is stricter than any rule or regulation. The keystone in cooperation is conscience.

I know that it is possible for a cooperative California to work out the economic reconstruction of our great commonwealth.

I know that it is necessary to do so, necessary for your group and for all other groups. That the development of a sane and intelligent economic program, in which all factors would be dovetailed, and out of which benefits will flow equally and proportionately to all groups and to all individuals, will pay real dividends to the State of California and its people, is a foregone conclusion. I earnestly and sincerely ask the cooperation of all of the people of this State in aiding our administration, your administration, in formulating and executing such a program.

Purposely, I have not discussed any details of what should be done, because your own program, yesterday and today, provided the opportunity for this type of a discussion. I hope your final resolution will incorporate the broad objectives which I have briefly mentioned and the need for which I feel so keenly. I appeal to you, as business and industrial leaders of California, to do your part in cooperating with other groups in the building of a greater and better California.

PUBLIC HOUSING

*Address at banquet of Western Public Housing Officials, Fairmont
Hotel, San Francisco, December 20, 1939*

*Mr. Straus, Miss Griffith, Mr. Chairman, Distinguished Guests,
Delegates and Officials, Friends of Public Housing
My Fellow Citizens*

No design for American living can excel its various parts.

The success of any plan for America's future can be no better than the people who execute it. This is true, no matter how sound the principles upon which we base our plan; no matter how carefully we work out its details.

Which is merely another way of redeclaring that tomorrow's America depends upon, and will be no better and no worse than today's children. This is recognized, not only by Americans for America, but throughout the civilized world; as is so well stated in the League of Nations' Declaration of Child Rights, adopted in 1924 and again in 1934. I here quote these declarations:

"First, the child must be given the means requisite for its normal development, both materially and spiritually.

"Second, the child that is hungry must be fed; the child that is sick must be helped; the child that is backward must be helped; the delinquent child must be reclaimed; and the orphan and the waif must be sheltered and succored.

"Third, the child must be the first to receive relief in times of distress;

"Fourth, the child must be put in a position to earn a livelihood and must be protected against every form of exploitation;

"Fifth, the child must be brought up in the consciousness that its talents must be devoted to the service of its fellowmen."

The child's welfare is the natural and proper concern and function of the family. Thus, the family is the very foundation unit of all society. The family is indeed in itself a society; limited, it is true, in numbers, but a true society, of a man's own household, anterior to every state or nation, with corresponding rights and duties. This is recognized, not only by religious organizations and in numberless statutes, but in the rationalizations with which business institutions justify their very existence; such as banks, building and loan, construction and insurance companies, all of which most assiduously uphold the virtues of family life, and the attendant virtues of home ownership.

Restated in fewer words: America's future depends upon today's children. Children have rights. These rights are best served and conserved in the family. Family life is closely dependent upon the kind of a house in which the family lives. Thus, America's future is closely dependent upon our having decent houses in sufficient numbers.

The fact that you have just concluded a two-day western conference of public housing officials, the presence here this evening of so

many citizens from all over the west, is very fair evidence, not to say conclusive proof, that we suffer from a tremendous and most acute shortage of decent homes for families in the low-income groups; evidence, not to say proof, that our finance, real estate and building industries are not geared to the job of providing such homes at costs these families can pay.

As a matter of fact, the housing shortage is so acute that it actually threatens America's future; so acute that it has become one of America's number one problems; so acute that Government is now doing something about it; and must do a great deal more.

I can scarcely be called a housing expert. But my interest in the problem, and my determination to see it solved are quite equal to that of experts, technicians and statisticians, because my interest and my determination rest upon the secure foundation of awareness of the deep-seated economic and social problems and conflicts harassing our state and nation; an awareness of the close-coupled relationship that housing shortage bears to these problems and conflicts.

After six years of devoted propaganda by housing enthusiasts, there surely can be no great need for a detailed description of the physical and mental sickness, the crime and the social degeneration caused by slums. They have, for a long time, been recognized as frightful fire hazards. Even the military experts now take note of the slums in the crowded cities; recognizing them as liabilities from the standpoint of defense.

The Housing Problem in California

Unique in many other ways, California is also unique in the special nature of her housing problem. And because of this uniqueness, it requires, and deserves, a special approach. Generally speaking, the housing problem, throughout the Nation, in its most acute forms, is a problem of urban or metropolitan housing. And we do indeed have that very problem here in California. But our housing problem, in its most acute form, is essentially a problem of rural housing.

That is to say, our worst housing, with the worst overcrowding, and bad sanitation, is found in the rural areas. By rural areas, I mean, generally, all areas outside of San Francisco, Oakland, Los Angeles and San Diego, and more especially the northern and central valleys and the Imperial Valley. In other words, the worst slums in California are the rural slums. The factors which have brought about this situation are numerous and complex, and have developed over a long period of time.

Migratory Labor in Relation to Rural Housing

A. For a great many years, most of the seasonal agricultural workers in California, numbering from 175,000 to 200,000 people, were aliens who left the rural valleys at the conclusion of the seasons. Today, as a result of the Dust Bowl influx, and many other causes, a very large percentage of these workers are Americans who are trying to settle down. Thousands of them have taken root and become residents. The increase in population in the rural counties, unaccompanied, as it has been, by any housing boom, would of itself create a serious housing shortage. It is estimated that the population of Tulare County has

increased 30 per cent in eight years. In other counties, the population has doubled, as in Madera.

Numerous surveys show clearly that, as an accompaniment to this development, more and more agricultural workers reside in the rural towns rather than in the labor camps. In San Joaquin County in 1920 the rural and urban populations were approximately equal. But by 1938, we find 70 per cent of the people living in the incorporated cities; with only 30 per cent in the nonurban areas. More and more agricultural workers are settling down and becoming permanent residents of the rural counties.

In other words, the rapid growth of population in the rural counties, in and of itself, would have created a serious housing problem. But this problem has been intensified and aggravated by the extremely low earnings of farm workers; and, of course, so many of the newcomers are farm workers, having come from the dust bowl.

These people have been housed in labor camps, shack towns, and auto camps.

Labor Camps

Many of these immigrants, on first arriving, moved into private labor camps maintained by farm owners on their premises. Last year there were some 4,500 farm labor camps with a population of about 145,000. As the name implies, these camps are designed merely for temporary, seasonal occupation, and are wholly inadequate for permanent housing. Most of them consist of one-room frame cabins, with only the most primitive facilities. Many workers have been stranded in these camps after the seasonal work was over. Last year the cotton camps were 60 per cent to 70 per cent occupied throughout the winter. The overcrowding was simply appalling, with as many as eight persons living in a one-room cabin. In Madera County the average was 4.5.

Shack Towns

Many of these workers, not permitted to remain in the labor camps after the season, have moved into shack towns adjacent to the valley cities and towns. These shack towns present a most distressing problem because they are located, for the most part, in areas not subject to adequate public regulations. They are mushroom communities; flimsy, unplanned, unregulated and uncontrolled. For the most part they are devoid of sanitary facilities. They are located on riverbanks, ditch banks, and other unlikely spots. The housing is primitive, consisting of shacks, tents, lean-tos, and dugouts, shockingly overcrowded.

There are thirty or more major shack towns between Sacramento and El Centro. Perhaps thirty to forty thousand people are living in them right now.

Auto and Trailer Camps

Some of these newcomers have moved into the cheaper auto and trailer camps. Intended merely for overnight or transient occupancy, these camps are wholly inadequate as permanent housing.

Necessity for State Action

Because of the peculiar origins and nature of California's rural housing problem, the only practical approach possible is from the

point of view of the state as a whole. The present program of the United States Housing Authority is predicated upon decentralization, with initiative and responsibility assumed primarily by cities and counties. For housing in the large metropolitan centers, this program serves very well, and we already have several rather active local housing authorities operating under this program. But where rural housing is the major element, we find that it is the State, rather than the counties or towns, that must assume initiative and responsibility. This is true for a number of definite reasons which I shall here describe at some length because they bear so directly upon our problem.

a. In the first place, the rural counties of California have shown no indication that they realize the seriousness of the problem or that they accept the responsibility for doing anything about it. One county authority resigned shortly after its appointment, indicating thereby that it saw no necessity for a housing program. A certain city in our far south appointed an authority. Shortly afterward this authority reported back that it saw no necessity for public housing; and this despite a comprehensive housing survey, previously made, which disclosed a grave housing shortage in that community.

In the face of a growing shortage, which has been acute since 1935, no functioning authority has been established thus far in any of the rural counties. This demonstrates the necessity for State intervention.

b. In the second place, for purposes of planning, the State is in a much better position to view the problem in its broadest aspects; and to plan on a much more comprehensive basis than any one county could possibly hope to do. The problem of rural housing in California is directly related to the distribution of work opportunities in California agriculture. The State is in a better position, than any of the counties, to analyze this problem and to locate housing projects where there are the most work opportunities.

c. In the third place, for purposes of administrative economy and efficiency, a State Housing Authority offers many advantages over a number of separate, uncoordinated, independent county authorities. Once a project has been constructed, administrative expense becomes very important, because it has a direct bearing upon the amount of rent to be charged. A single State agency can manage many projects with much less overhead cost than if each project be a separate and distinct unit under a county authority. Likewise, the State can attack the job of construction with mass production methods, and build more cheaply, because of the larger scale of operations. Furthermore, a state authority can achieve uniformity of regulations in the use and occupancy of these projects, the rents to be charged, etc. The program, in other words, can be supervised as a whole, and the relation of every project each to the other, can be carefully weighed and considered.

d. A fourth reason that a rural housing program must be undertaken by the State is that the State government, as such, is already deeply involved in it. People have the impression that the State is not spending money for public housing. As a matter of fact the Relief Administrator is spending millions in rent for the most miserable housing for relief clients; despite the fact, now well known, that excellent, low rent houses, wholly suitable for rural living can be built, and the

cost liquidated in a four to six year period by the money now being spent for rent.

In the eight San Joaquin Valley counties alone, the State is spending from one hundred to one hundred twenty thousand dollars a month for relief client rentals; for shacks, hovels, cheap auto camps and tent camping space. The fruit of these rent payments is this: rural slums have become highly profitable to their owners. Very naturally, they show only a negative interest in public housing. They are opposed to public housing in the rural areas. The State, therefore, is the real party in interest as respects the rural housing.

e. A fifth reason for State rather than local action is found in plans in connection with rural housing for a certain amount of cooperative farming, for the production of directly consumable commodities such as milk, eggs and vegetables, which will raise the actual living standards of these people.

The benefits of such cooperative farming have been clearly demonstrated by the Federal Farm Security Administration. Families living in their housing projects were able last year, to sell from half-acre garden plots, produce bringing them about \$160 per unit. This, of course, was in addition to substantial savings in living expenses from this same source. When these two elements are considered together it becomes apparent that subsistence farming, even on such a restricted basis, namely half-acre lots, goes far to supplement cash income earned by outside labor.

f. In the sixth place: we find many legal restrictions and limitations. For example, the Attorney General has ruled that although the State Relief Administration can and must provide shelter for relief clients on a rental basis, it has no authority to institute a housing program. On the other hand, the counties, unless they set up their own housing authorities, can provide housing for only their unemployable indigents. But it is doubtful whether a county can legally go further than this in the direction of public housing except under their power to appoint housing authorities. Certain rural counties have indicated a willingness to contribute land and some materials for a housing program, provided some Relief Administration labor be used. A State Housing Authority should be clothed with powers broad enough to take advantage of such offers.

Operation of a State Housing Authority

A State Housing Authority would operate essentially in the same manner as a city authority. That is, it would qualify for U. S. H. A. loans. Aside from administrative expense for the first year of operation, and the assumption of a small proportion of the initial cost (usually 10 per cent), the State would have no direct obligations. The funds would come from the United States Housing Authority. The State Authority would not attempt to interfere with existing housing authorities, but would concern itself primarily with the problem of rural housing where the greatest need exists, and where the case load is heaviest. Under such a program, rents can be kept as low as \$7 or \$8 per family per month, as proved by projects already built in Texas. The construction work itself would stimulate business and trade. It would provide decent and adequate housing for thousands

of deserving citizens now living in needless squalor. Rural slums could be eliminated. And it would produce an enormous savings in rents now being paid for relief clients.

A sample of the rent savings possible is found in a survey of relief client housing in Stockton. Most rent payments were found to range from \$10 to \$20 per month. Under a real public housing program these people could be housed far better at approximately \$8 per month.

Our several years of experience with public housing in America have raised many questions and issues. A clear-cut opposition has been formed, exactly like that always encountered by all progressive movements at their inceptions. The opposition, in this case, erects fears of an invasion of the field of private initiative; contends that public housing subjects private enterprise to unfair and ruinous competition.

However unselfish and sincere this opposition, it seems to me that it is based on mere prediction, rather than accomplished fact.

Every attempt is being made, every attempt should be made to restrict public housing to that narrow field of enterprise where the building industry has failed to provide adequate housing and where, as a consequence, private owners are exploiting the very misery of the underprivileged. It does seem to me, that in this narrow field competition is completely justified, and should be deliberate.

If public housing experience in England may be taken as a guide, these dire forebodings can be discounted and quieted. In the past 20 years, England has built over two million dwellings under a dual policy of public and private housing. Far from ruining private enterprise, it actually has stimulated the private real estate business.

However, in any case, we can not pass final judgment on public housing for many years—years yet to come.

On the other hand, there is a tremendous, highly diversified, and rapidly growing sentiment in favor of expanding and strengthening the public housing program; in favor of placing it on a permanent basis. This sentiment is crystallizing around the United States Housing Authority and the United States Housing Act, and the further amendments thereto needed for still further expansion and more effective action.

In this connection, I am very gratified with the prospect that the new Title 2 amendment—directed at the special problem of rural housing and earmarking loan funds for that purpose—will receive the favorable action of the House of Representatives at the coming session. While rural housing is a most pressing problem here in California, we know we are not alone in this respect and that we may therefore expect very wide support for the Title 2 amendment.

When we remember that as recently as 1932, public housing was only a dream of progressives; when we look about us and find that today it is a fact; then we realize that we have traveled far. I draw the deepest satisfaction from the belief that early in the next decade, public housing will be recognized as far more than an emergency necessity. It will be recognized and accepted as a beneficent and permanent fixture in the American scene; universally held high above the contentiousness of partisan issues and partisan politics.

PUBLIC ADDRESSES AND
RADIO TALKS

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1940

CALIFORNIA NEWSPAPER PUBLISHERS ASSOCIATION

Address before 52nd Annual Convention, Hotel Del Coronado, January 19, 1940

*Chairman Kellogg, Members of the California Newspaper
Publishers Association*

Ladies and Gentlemen

It is indeed a pleasure for me to be here to witness the presenting of awards that have to do with peace instead of war, and where merit is measured in terms of broadening and deepening the scope of public opinion, rather than trying to fashion it to the hard and fast mould of a political creed which permits no opposition to be voiced against it.

Long ago, while still a working newspaperman myself, I came to realize how difficult it is for an editor or publisher to express an opinion on every common cause of the people, for whether he likes it or not, his newspaper is a business; and to survive as a business it can not afford to antagonize its real or potential advertisers. Social, economic and political pressures are constantly brought to bear upon the newspaperman. If he yields too much he may become affluent, but he has lost his independence of thought and action. If he yields not at all his business may very likely fold up beneath him, and he joins the army of WPA.

The history of American journalism, while it reveals many a black spot of bigotry, venality and corruption, at the same time also reveals some amazing high spots. Every State has had its quota of courageous, fearless and incorruptible newspaper editors and publishers whose devotion to the public weal transcended all thoughts of personal gain or popularity. California, too, has its rogues gallery of the press as well as a gallery of journalistic heroes, extending back to James King of William, who in the early fifties of the last century, fought against the corruption of San Francisco's political life. But in the public eye of those earlier years, I fear, the press was none too highly regarded for the shooting of editors seems to have been a favorite indoor sport at the time.

We have come a long ways since those early days. New conditions have brought new problems to be met, new issues to be solved. The old days of mental tranquility have been succeeded by emotional and intellectual turbulence and uncertainty. People everywhere are groping wildly for solutions to the problems of today, and in too many cases they want these solutions all wrapped in handy packages. This desire isn't as fantastic as it seems, for haven't we all been immersed in a sea of radio, press and bill-board advertising telling us how a package of pills will cure our headaches or relieve us of fatigue, how packaged breakfast foods will give us vim and vitality; while still other packaged foods will put on or take off weight, as the case may be. Our every problem of a personal nature, so it seems, can be cured at once, by using the proper package. Well, if packaged goods will solve our personal problems, why not our economic and social problems

reason many of our citizens, and as you well know, the patent medicine men of politics and social unrest have found in California, a fertile field for their operations.

Now just where does the newspaperman step into this picture? Despite occasional statements by observers to the contrary, I am firmly of the opinion that the influence of the press as a factor in shaping and moulding public opinion, is greater today than ever before. The very complexity of the problems besetting the public make them want to believe what they read. But they will not believe the publisher whose eyes are glued to the path of the past; who refuses to recognize the seriousness of our social ills, and who lumps into one category, as "crackpots and fanatics," all who are seeking to find a solution to these major problems of the day. I am equally convinced that these publishers who run along with every movement which gathers force and momentum, irrespective of its fundamental economic and social validity, will in the long run, lose rather than gain public support and approbation.

To be able intelligently to register the pulse of public opinion demands more than the art of knowing words and type. It demands a feel for people—individually as well as collectively. It demands a warm heart, as well as a keen mind, and it demands an intrinsic belief in those three cornerstones of American democracy, Free Speech, Free Press and Free Assemblage. Nor can we demand these things for ourselves and at the same time, refuse them to our opponents. The measure of our faith in the democratic way of life is in great part determined by our willingness and ability to widen and deepen these three fundamental concepts in time of crisis.

The strength of democracy in itself is determined by its ability to stand up under the withering fire of attacks from dictatorship, of the right and of the left. No single person or clique holds a monopoly on patriotism, just as no person or clique holds the answer to the problems of today, or a correct blue-print of tomorrow.

You publishers and editors are always on the lookout for human interest stories, for you know that is good journalism. But why is it, I wonder, that so few of you have explored the channels of human interest stories behind your government, State and locally? And by this I mean, not the juicy stories of occasional scandals which are bound to occur, but the dramatic story of thirty thousand human beings on the State pay roll, rendering positive services on a hundred fronts, to the seven million inhabitants of this State. Government is not merely a creature of the people—it is the people. The Capitol at Sacramento, the numerous State institutions and all the rest—these are but the trappings of government—tools we make and use—but government itself is the people. Behind every set of statistics is at least one and perhaps many definite human-interest stories.

The Department of Public Works, for instance, means more than just concrete and steel, bridges and roads and highways. It is a story of human beings fighting a never-ending fight against nature. It is the human story of highly skilled engineers and architects, of lowly stenographers, of traffic experts and a host of others. The human interest tale of these many personalities touches every town, every county in this State. Here is a vast, untapped living reservoir of

stories for your press—the day to day tale of democracy in action. And this story is being retold a thousand different ways in each and every department of our State Government.

Gentlemen, why not explore this field of human relations. I am not asking you to do publicity build-ups for our administration. Where shortcomings appear, come out and say so boldly and clearly. We welcome such criticism. But above all, tell the human story of human democratic government and how its functions may be improved, modernized, streamlined. By so doing, you will in a measure, help to create a greater feeling of faith in democracy.

It must occur to you, as to all thinking citizens, that while our progress in the field of mechanical sciences is the marvel of the world, our progress in the science of democratic representative government moves so slowly as to impede if not defeat governmental efficiency and progressive political action. There is no reason why we should have any ox-cart inefficient governmental system, instead of modernized efficient system in every branch of the government.

It seems to me you could and should open the discussion upon the most important issue on this subject which I hope we shall vote upon next November—the need for a reformed legislative system in California—one that will enable the legislative branch of the government to bring to its service in a one house body, members employed, and adequately paid to devote their full time to the consideration of legislation now so clumsily and inadequately dealt with by a two house system meeting for a limited time once every two years and called into special session only when most acute State emergencies require.

Such emergency now is requiring a special session to be called this month.

Foremost is the imperative need for new revenue to meet the mandates of our Constitution and of the laws passed by the Legislature, including provisions for unemployment relief.

We can not continue all of the governmental services required for the general welfare and demanded by the people without raising the revenue to pay for them. We can not continue borrowing money for current costs by way of issuing interest bearing warrants against foundations that are not supplied which proficient administrations have done, and which we are now being compelled to do at the rate of two million, five hundred thousand dollars per month.

I ask you to please bring to your readers the true picture of your State's financial problem which has been furnished you by the Department of Finance, so that they may know the facts.

Let the Legislature, if it can without injury to industry and causing greater human suffering than already exist in the State, eliminate any of the State's services to the people now being performed, but do not let them tell you that they can continue these services without additional revenues. Do not let your readers be fooled by the false assertions that additional revenue is not needed, or be scared by the cry, "No new taxes." Do not let your readers be misled by the false propaganda that the revenue measure contemplated by this administration will be "new taxes" on the home owner, the farmer, the small business man, the worker, or the general consumer. Because, for the most part, there will be new taxes on the net profits of big business. By

doing this you will render a real service to your reader as well as to your State.

On this and every other governmental question it is only necessary that the true issues and the facts become known to the people. They will then act intelligently and constructively. The successful working of our democracy depends upon the extent to which the people are actually informed. It becomes the duty of all who are engaged in the dissemination to the people at large to know the problem, the issues and the means by which their government functions.

You, as publishers, and editors, must therefore be particularly well informed. You must be more than good reporters. You must also be economists, sociologists and political scientists in order to give to the community you serve the accurate information and intelligent direction which they see in you.

The people should know their government and its function to make their government known to them. I suggest that you begin each week as "Know your Government Week" since the problems of government are not only so many but are so changing that no one can hope to get an adequate grasp of government and be fully qualified to discharge all of the responsibilities of citizens unless every week is made a "Know your Government Week."

HOUSING PROJECT

*Remarks at ground-breaking ceremonies at Ramona Garden Project
of the Housing Authority of the City of Los Angeles,
March 16, 1940*

My Fellow Citizens

It gives me utmost satisfaction to take part in these ceremonies starting actual construction of modern, sanitary dwelling facilities, modest, practical and comfortable for those very families who are most in need of decent dwellings; for families of low income; for good American families whose children are to be the citizens of tomorrow; for families, who but for projects of this kind, would be condemned by the first necessity of their low incomes to live in hovels, slums, and in surroundings that disgrace a community and a state, endowed by nature with all that is beautiful and wholesome.

This project, when completed, will help supply one of our most urgent social needs. That need is a decent American standard dwelling place for every neat American family with a modest but honest income.

I lay special emphasis on the family because on the welfare of society's growing children depends the health and strength of society and of citizenship; and the child's welfare is the responsibility of the family. The family is the very foundation unit of all society. The family is indeed in itself, a society; limited, it is true, in numbers, but a true society of a man's own household, anterior of every state or nation, with corresponding rights and duties.

America's future depends upon today's children. Children have rights, which are best served and conserved in the family. The orderliness and stability of family life and the future of the child are closely dependent upon the environment, the kind of home in which the family lives. Thus America's future is closely dependent upon our having decent houses in sufficient number for all Americans.

The commencement of this low cost housing project makes me happy because it proves that this, my own community, recognizes and is dedicating itself to the solution of the problem of providing decent dwellings for families with meagre incomes.

I also draw satisfaction from the fact that this project represents one of the practical ways in which local and Federal Government agencies can work together with beneficent social and economic results.

It seems to be worthy of note that although this project gets under way because of the initiative and sponsorship of the National Government, the government is not supplying the money. It comes from private investory who are well secured by sturdy, fire resistant buildings which will last at least sixty years.

It is gratifying to know the measure of the employment instigated by this project, of the employment it will furnish for six hundred building tradesmen for more than a year, right here on the site, and of the four or five hundred men who will be employed off the job to manufacture, fabricate and prepare the materials going into these buildings

and to transport them to the job. And they are all to be paid the prevailing wages in their several crafts.

Thus we find that government agencies can pay standard wages and standard material prices and produce well planned, safe family dwellings with plenty of light and air, and commodious safe-playing space for children, at unbelievably low rent.

It is true that these low rents are made possible in part by a modest annual federal subsidy. But it is equally true that the Federal Government gets true value for its money in terms of improved social and economic conditions.

Surely the community's savings, in terms of juvenile court costs, police and fire protection, reduced medical and hospital costs, and general good citizenship would easily underwrite and amortize the cost of this project, and the other similar projects now in preparation, and which I hope, will soon be under actual construction like this one.

One of the characteristics of these days of uncertainty and insecurity, is the dry-up of investment opportunities, with consequent stagnancy in the channels of industry, commerce and demand I therefore see in Ramona Gardens, a symbol of great hope, sound hope for the future.

Los Angeles, California, the whole Nation stands in greatest need of thousands, millions of low-cost, modest cost, dwellings such as we shall soon see here at Ramona Gardens. The fulfillment of this need can easily absorb a major share of America's investment funds throughout the coming decade. Thus it can easily be the basis for a sound and very worthwhile renewed prosperity.

I cannot overlook this occasion to tell you that projects of this kind are needed not only in the thickly settled metropolitan areas of California, but throughout the richly productive farm sections. For reasons, too numerous and too complex to recount here, California now has within her borders, scores of thousands of families, mostly farm folks, trying to find a place to settle down. This population has grown so fast that our powers of assimilation have been over-taxed. The immediate results, in some of our rural sections, are housing shortages and job shortages so acute that they present a serious State problem.

We must have continued and increased Federal aid for the solution of this distressing problem because of its broad and national origin. There is at least one front on which we can attack it very effectively; namely, by rural housing projects after the general pattern set here in Ramona Gardens. I have recommended legislation which is now pending to enable and encourage such projects. I ask public support of its adoption.

Many citizens and organizations are jointly and collectively responsible for the project celebrated by these ceremonies. Special recognition and thanks are due to the labor unions and to the liberal and progressive, social, political and religious organizations, and to the thousands of social-minded private citizens in all walks of life whose combined efforts and support have brought it to this bright and encouraging stage of development.

In this decade, public housing will be recognized as far more than an emergency necessity. It will be recognized and accepted as a beneficial and permanent fixture in the American scene.

And now, in closing, I wish to pay special tribute to a man who, perhaps more than any other, is responsible for this beneficent project we are about to undertake. He has worked incessantly, month in and month out, sometimes against apparently insurmountable odds and obstacles. He has repeatedly sacrificed his own personal affairs in interests of the achievement of his dreams of doing away with the sub-standard dwellings. I mean the slums of this community. And now his dreams turn out to have been very practical in effect as well as beneficent in their intent.

No one has better earned the right and the privilege of turning over the first shovel full of earth in this the official ground-breaking ceremonies at Ramona Gardens, the very first project of the Housing Authority of the City of Los Angeles.

I refer to and I am proud and happy to introduce the Chairman of the Authority, the Hon. Nicola Guilii.

Mr. Guilii.

WESTERN AVIATION

*Address before Western Aviation Planning Conference,
Fresno, March 30, 1940*

*Mr. Chairman, Distinguished Guests, Ladies and Gentlemen
of Aviation and Friends*

A few years ago a conference such as we have been holding today would have been considered by some charitable minded persons as in the nature of a philanthropic effort to help a puny industry which might or might not in the course of time prove to be worth the effort. But less charitable minded citizens—and I have found that there are some—might have suggested that a Governor who called such a conference was a bit flighty—and they would not have been thinking of a flight in aircraft.

Today this conference has other aspects and undeniable significance. Flight in aircraft truly widens one's horizon and that which yesterday seemed dim and perhaps only imagined on a far horizon, today is behind us.

There has been completed one full year of scheduled air transport operation—the carrying of two million three hundred thousand persons, eight hundred and fourteen million passenger miles, without a single passenger or personnel fatality. That is a record, which I am told, surpasses, from the standpoint of safety alone, the highest attainment heretofore of any form of transportation. And yet, adding stupendously to the impressiveness of that achievement of safety is the fact that it was done with comfort and speed approximating three miles per minute.

Gentlemen of aviation, congratulations! You of the Civil Aeronautics Authority; you who operate these air lines; you who pilot the planes; you who service them; you who design and manufacture them; you who observe and report weather; you who through radio aids have made the ears of a pilot serve also as eyes when the atmosphere is so thick that ocular vision no longer can penetrate it, but the radio waves of your making function as a beam leading the ships of the air safely home—and to all of you others who contribute so well and so much to safety and efficiency in aviation—our profound respect.

We respect you the more for the likewise splendid records achieved in the Civil Aeronautics Authority Civilian Training program—that is student flying by those students who have accomplished the feat of keeping airplanes in the air one hundred and eighty thousand hours; of having traveled thirteen million airplane miles and twenty million passenger miles with but one fatality.

So, also, the provision for a uniform flight instruction syllabus is a great step for safety.

I wish also to accord due tribute to this group of men who comprised the committee for this Western Aviation Planning Conference and those who have assisted them in arranging all of the details which have made possible the holding of this meeting. The scheduled subjects

of addresses and the entire plan of the Conference all evidence the study and clear thought which have been devoted to the matter by them.

Aviation is on the wing. We of California and of these Western States want to keep pace with you. From your take off a few years ago—a somewhat halting and wobbly one at times, to be sure—you have been gathering speed and climbing high and going far.

We must look to it that aviation equipment and personnel do not outdistance ground facilities and governmental facilities. Because we are mindful of these things and wish to know your problems, present and anticipated, so that we may the better serve you, we have called this conference. We thank you for attending. We shall endeavor to serve you better because you help us by coming here.

In my conception of duty, always is it the problem of government to better serve the people who set up that government and for whose convenience and welfare government is maintained. When we do not look to the future, we do not serve well the present. And particularly is this true in aviation where that which appears so far in the distance, so quickly passes below and behind.

This administration in California conceives of government and all governmental agencies as being set up by the people to serve their interests. We have no room in California State offices or agencies for any person who believes that the governmental office was created for the benefit of an office holder. We have come to respect and to like the persons of the Civil Aeronautics Authority because we have found in them the same conception of governmental duty as have we. We have found them sincere and imbued with a desire to serve, not themselves, but the cause they love; that cause too is our cause.

We appreciate the fact that many thousands of families in California find support in this great industry. You have every right to expect your Governor and your governmental agencies to lend a ready ear to your problems. We want to serve you, and through you, aviation, even as you have served it. I want to know your questions and your needs and I want California to join with you in trying to get the right answers.

There is no industry in all of California that I rate of more importance to the State or the Nation, than yours. You will always find my office, my mind and my heart open to you.

Airplanes and pilots are multiplying. We can not overemphasize or exaggerate the importance of an adequate airport program from the standpoint of military aviation, yet we are no longer in the stage of development of aviation where we need use National Defense as an excuse for an airport program.

Countless thousands of our people are taking to the air in this most efficient and modern of transportation methods. Your safety record, zealously maintained, will multiply confidence in aviation and confidence in aviation will multiply your passengers and your customers.

Public necessity itself demands not only adequate airports, but an abundance of airports. We must not by lack of vision or lack of industry, permit lack of airports to bottleneck your industry.

Under the guidance of our wise and farseeing national administration, the Civil Aeronautics Authority has been created. It has been manned and staffed and with some difficulties, to be sure, but withal,

efficiently, has taken over the duties of the former Bureau of Air Commerce of the Department of Commerce.

The safety record we have commented on, the Civilian Training program, the Uniform Flight Instruction program, are all to its resounding credit. It is fitting that we find it concerned now with the airport development program.

Aviation is peculiarly an interstate activity. State lines mean so little and pass so quickly when traveling by plane. Airports adequate in number, in capacity, in stamina, in aids to flight and the other facilities of service to equipment and personnel are as essential in one State as in another—essential not merely to the State in which they are located, but to the convenience of the people of the Nation who more and more, through aviation, and the radio, are becoming a more closely integrated, though far traveling family.

So it is entirely proper that a Nation-wide program of airport development be instituted and supervised, in at least a general planning sense, by the national agency, the Civil Aeronautics Authority. California and this Governor appreciate the interest of the Civil Aeronautics Authority and offer it whole-hearted cooperation.

Frankly, we need your help, as you need ours. Today in the center of our great aircraft manufacturing activity in southern California, there is an immediate and urgent necessity for more airports and airport facilities. Every night and day scores of airplanes, carefully engineered and built and maintained, are forced to sit out in the open, unhooused, because airport facilities are inadequate.

Visualize our problem a few months hence when nonscheduled aviation—the once forgotten in California—had had the opportunity to feel the full impetus of the first year of the twenty thousand men per year training program.

Private aircraft factories as well as air transport and military design producers are working at top levels. Yet, airport development has been stagnant since capital discovered a few years ago that aviation had perils of investment as well as of flight. And capital on that score could not be blamed. Land conveniently situated for an airport, with approaches free from buildings—though too often not free from unforgivable high wire hazards—when developed for airport use and representing a large investment, has, because of rapidly changing density of population, become the center of housing activity, and the poor airport investor has faced legal actions to abate his airport as a nuisance.

Likewise, acreage which once would have been economically available for dedication, or at least preservation for, airport use, has become subdivided or otherwise rendered less available and more costly while at the same time need for it for that has become greater. We build highways for our automobiles. We must build airports for our planes.

Federal aid in airport or other aviation development is entirely appropriate. Throughout our history the Federal Government has recognized the necessity and public benefit of developing transportation and communication systems. Rivers, harbors, canals, railroads, highways, all have been developed under the generous assistance of the Federal Government. Transportation by air we hope is about to receive that same generous assistance.

Our State administration in California has consistently been on the alert to see that one hundred cents' worth of good is received from every dollar it spends. This conference is in line with our fixed policy—to do our best to be, not good politicians, but to give you good, efficient government. We have sought to bring together representatives of all agencies familiar with the aviation picture so that whatever funds we get when made available may be used in those places where the greatest possible good will result to the whole industry and hence to all the people it serves.

There have been introduced in the United States Congress bills providing the necessary funds and legislation with which to start this development. We bespeak your help to see that that legislation is passed and the funds appropriated. I hope that Congress will not be of a mind to deny us these desirable measures.

There is needed in the several states aviation bodies or agencies to work with the Federal organization in this airport development program. I do not imply that we need any State regulatory body to duplicate any element of the work of the Federal body. We do not wish to regulate aircraft or control its operation or qualify or regulate flying or service personnel. California believes in leaving entirely in the capable hands of the national body, the Civil Aeronautics Authority, those matters which are so essentially interstate or national and uniform in their applications, but I do mean that we want and shall have some reasonably adequate agency to be devoted to aeronautics. In accord with the recommendation of this conference, and with your help, I shall be happy to select and appoint a State advisory committee on airports to receive information and to confer with and advise and assist the Governor and the State agency which will handle the Federal funds when they are made available, to the end that aviation and the people it serves shall derive one hundred cents worth of advantage out of every dollar that comes here and so that our system of airports in California in accord with a States' master plan of airports as approved by the Civil Aeronautics Authority may be most economically and efficiently attained, and so that California, even as she leads in aircraft production and highway development, may be also at the forefront in those facilities which will make us better aviation neighbors to our esteemed sister states, Utah, Nevada and Arizona, who have honored us with representation here, and so that all of us may cooperate to the end of better facilities for convenient and safe operation of the aircraft of the Nation for the benefit of the people of the Nation. Through a sane program of development instituted by the Federal authority and joined in by all of us, we will revise the old adage to read, "You're not crazy to fly—and it doesn't help."

OUR MENTAL HOSPITALS

Address given over California Radio System,

April 7, 1940

My Fellow Citizens

This evening I shall talk of the several distinct advances achieved during the past year, in the institutional care of mentally sick people in the State of California. These advances are most remarkable and have real meaning to the people in terms of more humane care for mentally distressed persons, hope for their complete recovery and rehabilitation and much lower costs falling upon the taxpayers.

California maintains seven hospitals for mental patients, two institutions for epileptics and for the feeble-minded, three correctional schools, a narcotic hospital, one home and two work shops for the adult blind, and a Bureau of Juvenile Research. All of these are organized under and administered by the State Department of Institutions under the direction of Dr. Aaron A. Rosanoff.

In appointing Dr. Rosanoff to this post, I drew into the State's service one of our country's leading scientists, if not the leading scientist, in the field of mental sickness. He took his medical doctor's degree at Cornell in 1901. For many years he was the clinical research director and the manager of New York City's famous King's Park State Hospital. During the world war he served in the psychiatric division of the Army's Medical Corps, rising to the grade of Lieutenant Colonel.

Since coming to California in 1923 he has followed the general practice of psychiatry, and lectured at the University of California at Los Angeles, at the University of Southern California, and at the Loma Linda Medical School. He is an active member of, and has served as President of the Southern California Mental Hygiene Society; also of the Academy of Criminology.

He is the author of a "Manual of Psychiatry" which has gone through seven editions and has, for many years, been the standard textbook on this subject in most American Medical Schools.

Since Dr. Rosanoff could enjoy a much easier life and earn a far greater income if he followed the private practice of his profession, I regard his acceptance of his present post, his work as Director of Institutions, as an extraordinary public service.

In all, more than 28,000 patients and inmates are cared for in these institutions. I haven't the time to here describe all of the activities of all of them. Therefore, I shall touch just briefly upon the work of the seven mental hospitals. From the standpoint of numbers, they are the most important divisions, because they take care of more than 23,000 patients; or 82 per cent of all cases cared for by the whole Department of Institutions.

Until only a few years ago, such institutions were commonly known as "Insane Asylums." We now call them State Hospitals.

What's in a name?

Due to developments since the turn of the century, principally in the past two decades, there is all the difference in the world. The Insane Asylum was thought of as a place for the custody and actual confinement and restraint of irresponsible and dangerous people; not so much for their own good, but mainly for the protection of other people, many of whom regarded these unfortunates with an almost superstitious horror and aversion.

A "Hospital" on the other hand, is a place for the medical and surgical treatment of the sick; in this case, persons whose sickness has mental as well as physical manifestations and symptoms.

And that is exactly what has taken place, although very slowly. The State still does confine and restrain those so sick, mentally, that they are dangerous. But we are devoting increased attention to the prevention of mental illness, and the rehabilitation of those afflicted.

The job of the seven State hospitals is essentially a technical one; not political, not economic, not social; although, of course, the job has its very important political, economic and social implications and involvements. I have already told you that the seven hospitals care for more than 28,000 patients. Now more than half of them suffer from just one disease, technically known as "Dementia Praecox" or "Schizophrenia."

Up until five or six years ago, this was known as affecting mainly young men and women, usually chronic, usually mild in its initial stages and sometimes scarcely noticeable even by members of the family, but usually running a course of progressive mental deterioration ending in confusion, idiocy and death. Our hospitals reported a recovery rate of only 8 per cent.

But now the whole picture is radically changed due to the introduction of a new treatment devised by Dr. Manfred Sakel, a Viennese Psychiatrist. It is known as "insulin-shock," and it is found that this therapy applied to cases of dementia praecox or Schizophrenia, if caught in their early stages (say within a year of its onset) yields a recovery rate of 70 per cent.

When we realize that therefore the average dementia praecox patient has required twenty-three years of hospitalization, ending with only death, and has cost the State \$4,700; when we realize that the insulin-shock treatment lasts only three months, costs the State only \$315, and returns 70 per cent of the patients, fully cured, to their homes, their families, their jobs and completely normal living, then the benefits to society of such a treatment are immediately and fully apparent.

But the problem of securing these benefits has been a serious one.

The full course of this treatment requires about three months. It can be given only in properly equipped hospitals and only by specially trained technicians.

It therefore has been so expensive that only the rather well-to-do could afford it; but today, in California, the insulin-shock treatment is provided at Camarillo State Hospital, for cases in the south, and at the Stockton State Hospital, for cases in the north. Henceforth, no one in California, no matter how poor, will lack the opportunity to receive this treatment if his case requires it.

Because the insulin-shock method is so new, and because its administration calls for highly skilled technicians, there are, as yet, in all the world, only a very few physicians who are qualified to administer this treatment.

Dr. Rosanoff, the Director of Institutions, scoured the entire country to find a properly qualified person to introduce this treatment in our State hospitals. He finally found just one, and that one was available only because of the fortunes of war, so to speak.

It is an ill wind that blows nobody good. The European wars, and the preparations for war, and the persecution of Jews in Germany, Austria, Poland and elsewhere, resulted in the uprooting of Dr. Jacob P. Frostig from his native home in Central Europe and his landing in New York City.

Dr. Frostig just happens to be one of the handful of men and women who conducted original researches which led to the discovery and development of insulin-shock therapy. We are most fortunate to have his services.

But inasmuch as he is a refugee from Poland, with all his bridges burned behind him and inasmuch as he is not yet a United States citizen, nor even licensed to practice medicine in California, it was necessary, in order to conform with California's civil service and medical practice laws, to first arrange for his appointment to the faculty of the University of California Medical School. Thereupon, the Department of Institutions contracted with the University to purchase Dr. Frostig's services as instructor for the medical staffs of the State hospitals in the details and techniques of insulin-shock therapy. This may seem a very roundabout procedure, but it is fully justified by the great and beneficent purpose now already in course of accomplishment.

Dementia praecox is the most prevalent of all mental diseases. In ever-increasing numbers, it has half filled all of our mental hospitals for generations. But from now on, this disease will be given not merely custodial care, but skilled therapy where its recovery rate will be raised nine-fold. The consequent gain by society is inestimable.

Another major advance achieved under Dr. Rosanoff's administration of the Department of Institutions was announced soon after he entered office: namely, the treatment of certain types of mental disorders by fever induced by means of malarial inoculations. These are now furnished to all persons referred to our State hospitals by health officers and other physicians. Some very spectacularly successful results have been obtained.

By this fever treatment, persons having syphilis in the third stage, where it has attacked vital organs with involvement of the central nervous system, can be saved from paresis, which is an extremely severe form of insanity of syphilitic origin. If only all those needing this treatment would take it, then another large group of cases, now accounting for 7 per cent of the inmates of our mental hospitals, would be eliminated.

It may be safely predicted that this treatment, together with the campaign against venereal disease, inaugurated in recent years by the United States Public Health Service with the collaboration of our State Department of Health, will produce, in the course of the next few years

a steady reduction of cases of syphilitic insanity in our State hospitals; with corresponding benefits to all of society.

Nearly one third of all the admissions to our State hospitals are for alcoholism. In the great majority of these cases there is no insanity. Alcoholic patients soon become practically normal and, in most cases, very helpful in all kinds of work to be done around the hospital.

But the mental hospitals can hardly be regarded as the most congenial places for these patients. Yet, experience has shown that they must not be discharged too soon by reason of their strong tendency to return to their drinking habits, and so, large numbers of them come and remain to further crowd the already overcrowded wards.

To meet this pressing condition, the department at the 1939 session of the Legislature, sponsored a bill for the establishment of a special colony for inebriates. Such a colony is soon to be opened at Spadra. It is to be an agricultural and industrial colony and should eventually become largely, if not entirely, self supporting.

If it proves successful, it will be enlarged from a capacity of 200 to one of 1,000 beds; and a similar one will be established in northern California, thus relieving the State hospitals of the task of taking care of inebriates, while providing for the latter a better and less costly type of care.

In times past, the State hospitals have had to keep on caring for many patients who were cured and ready for return to society but who could not be returned because there were no relatives or friends to whose care they could be committed while making their adjustments with the outside world. The Department of Institutions now arranges for the release of such persons on parole to and under the supervision of trained social workers.

Last but not least, I would mention the new one hundred bed hospital to be established by the Department of Institutions in San Francisco on the grounds of the University of California Medical School.

The principal purpose of this new hospital is to bring to a realization the ideal of early diagnosis and prompt treatment of mental disorders, thereby raising the recovery rate to a figure approaching, as closely as possible, the level of 100 per cent. This will not be an asylum for the insane, to which patients with advanced brain disease are committed by the courts, as a desperate measure of last resort, to remain there as inmates for the rest of their lives. This is to be rather a hospital where treatment will be provided for selected cases with a view to saving them, by timely intervention, from a possible destiny of insanity, commitment, and permanent incarceration.

This new hospital is to have an out patient department. It is mainly from the clientele of this department that cases will be selected for admission to the hospital. The best known methods of treatment will be provided. It will be the only hospital of its type in the country equipped with a department for brain surgery.

The new hospital will be a center of training in nervous and mental diseases for medical students; also for graduate students who may wish to specialize in this branch of medicine.

The new hospital will also be a center of research, to add to our knowledge of the nature and causes of mental disorders. No better

conditions for such research could be devised than those which will result from the proposed partnership of the University of California and the Department of Institutions, to be concentrated in the new hospital. For this partnership will bring together a vast amount of clinical material to be studied, well equipped laboratories in the fundamental sciences, and highly qualified scientific personnel.

All in all, the State Department of Institutions, with its very able staff and under the able leadership and administration of Dr. Rosanoff, is achieving spectacular success in the treatment of mental diseases. They are doing this by humanitarian methods in the handling of patients and by the application of scientific therapies. They are doing it quietly, they are doing a great work in a field to which the lay citizen pays but little attention. I am therefore correspondingly grateful to all of you who have listened to my remarks this evening about the State Department of Institutions.

I thank you and bid you good night.

DEMOCRACY CAN ACT

*Radio address over California Broadcasting System,**June 16, 1940*

It would not be timely at this hour to speak of any other subject than the possible consequences of Germany's defeat of the Allies to the future of our country. Nothing could be more frustrating to the American people than the immediate situation in Europe. We stand by, practically powerless to influence the outcome of the decisive struggles going on there. That outcome just now is so imminent that there seems to be little or nothing we can do quickly enough to effectively help the Allies.

Nevertheless, the outcome is so fraught with danger to our own country that this inability to be an effective factor in the present struggle frustrates and confuses—at the every moment when, of all times, we need most to think; to think calmly and clearly—in order to act wisely and effectively, as well as swiftly.

That we are deeply stirred by European events is proved by the widespread demand that our country act heroically. That we need to do some very real, very hard thinking is proved by the fact that these demands are made, in most cases, without any well-thought-out ideas about just what form such heroic action should take.

We have been shocked, deeply shocked, by the turn the war has taken in the past 30 days. Rudely awakened, but now with our eyes wide open, almost spontaneously—as a Nation—we have initiated the steps required for the military and naval defense of our shores and possessions; the steps dictated by considerations of the most ordinary prudence. The very promptness with which we have done this demonstrates at least one thing, namely: that a democracy can, in times of stress, agree quickly upon what course to pursue. And I shall be well satisfied with my remarks this evening if I convey to you my deep conviction on just this one point, namely: that democracy can act.

If we do not believe this, then all our military preparations will come to naught. But if we do believe it, then we are invincible, and we shall save our liberties.

I wish this evening to briefly discuss the nature of the new and special problems with which the European war now confronts us. I do this, not with the idea of conveying the impression that I have the solution for these problems, but rather in the hope of promoting wide discussion. I am convinced that wide discussion will serve not only to allay hysteria, but to crystallize, out of the solution of public opinion, the favorable public sentiment without which our plans for the national defense, no matter how sound they may be, can not be successful.

To attempt a forecast of the long range effect upon our country of the European cataclysm would be quite rash. Most assuredly, America must keep out of it. But, whether we succeed or fail in our decision to stay out, it requires no expert, no seer, to forecast that its effect upon us will be profound. It would seem that the whole world

must now look forward to the most far-reaching changes; political changes; economic changes; and, perhaps even more important, ideological changes. Indeed, it may well be that in the long run, ideas will count for far more than guns.

Our own disposition is to keep our soldiers out of Europe—and rightly so. In any case, it looks as if we could not do enough, quickly enough to help the British and the French in their present dire distress. In view of these facts, if they finally defeat Hitler, our international problems will be less serious. But if Hitler conquers them, then we shall be confronted with problems of the most serious nature.

We must prepare to meet these problems.

In either case, our primary job is to preserve democracy and freedom in this, our own country; whether from Hitler's military hordes or from his ideology.

Now as a matter of cold practicality, to do this will take a great deal more than the passing of resolutions and the appropriating of billions of dollars. As the Chief Justice of the United States Supreme Court, Charles Evans Hughes, said only a few weeks ago:

"You can not maintain democratic institutions by the forms of words or by taking occasional vows. You maintain democracy by making the institutions work as they are intended to do with full confidence of the people."

It is to the extent that we make democracy work now, that we set an example, fashion a pattern, for a better, saner order of things.

What, then, does it seem we must do to save our liberties?

First, pursue our National Defense Program with the greatest energy and vigor of which we are capable.

Second, we must profit from the hard lessons of the present war, and realize that we can not separate the solution of our defense problem from the solution of our general economic and social problems. Therefore, we must also go to work on the economic front and even on the psychological front, as well as the military. In other words, as Chief Justice Hughes says, we must make our democratic "institutions work as they are intended to do with full confidence of the people."

What is meant by this? Specifically, that we must solve and eliminate the problem of unemployment. We must solve and eliminate our fiscal problems by taxation geared to the tasks confronting us. We must rehouse and reclothe the Nation at the level of American standards; standards which all our people will realize are worth defending; standards which no totalitarian dictator's propaganda can successfully attack.

We must build up and defend the national health by making our ample medical, hospital and health services available to all citizens.

We must stop the profligate export and waste of the basic raw materials of national defense. These include oil, copper, steel and lumber.

We must set to work seriously to plan our economy. We are compelled to do it now for purposes of defense. We should have been doing it long since, for purposes of peace.

We must solve the unemployment problem, if only to increase our defense effort. But there are other equally good reasons. We must

reemploy ten million workers in order to increase our national income. It will be far easier to pay the cost of armament for defense out of a large national income than out of our present small one. In doing this, we are certain to discover shortages of skilled workers of many types. Plans for greater income and preparedness for defense will require greater attention to the education and training of adults, as well as youths, for skilled services and greater efficiency in all lines of productive activity. The natural tendency of private enterprise to concentrate and to stifle industrial output through the medium of unnecessarily high prices is a stumbling block which must be overcome in a program for greater production; and, in the expenditure of billions for military, naval and air forces, we shall find it difficult to prevent profiteering.

This is all the more reason for reforming, revising, realigning our tax system to match the realignment of economic facts and forces confronting us. Not only can we tax unreasonable profits, but we must if the cost of defense is to be made to fall where it should. We now have a tax system that chokes consumption, reduces production, and places a far too great proportion of the taxload on those least able to bear it. We should—we can—have a tax system that will stimulate our national defense effort and pay for it, by taxing wealth and ability to pay. While we encourage our young manhood to voluntarily enlist and prepare to draft them for military service if necessary, let us prepare also to draft property and wealth wherever it is concentrated and whenever it is needed.

As for economic planning, had we gone in for it years ago, as we should have, it would be far easier to plan for possible war now. We found this out during World War No. 1; but have since forgotten or disregarded it. We are beginning to reawaken to the fact that to plan our economy efficiently for national defense and rearmament we must plan it for the necessities of peace also. Both Britain and France now learn to their great sorrow, that a Nation, if it is to be successful in war, can not subsidize its fighting forces and otherwise continue with a hit-or-miss, unplanned, business-as-usual economy. The Nation which is successful in war, makes war as a whole; and in so doing it includes the activities that are normal to peace time. Therefore, we should plan for food, fuel, housing, clothing, medical service, full employment, efficient farming, and all the other major concerns of society. Full stomachs are as necessary to our preparations for defense as are munitions, planes and battleships.

At the same time we should remember that a certain very positive danger to our American liberties and democratic institutions is inherent and implicit in war planning. The great danger is that before we ever meet an enemy in battle we shall have surrendered the very liberties it is our purpose to defend.

I regard this as a very real peril against which extraordinary precautions must be taken, lest we get all the repressions and injustice and intolerance of totalitarianism without even its war efficiency to balance our loss. This danger tests the democracy which we prepare to defend.

Many hysterical suggestions are being made. Let us remain cool and collected. Let us not declare a moratorium on political democracy

and debate. Let us not concern ourselves only with foreign affairs and defense, to the exclusion of our domestic problems; those of creating a better life for the American people. We must not abolish such social gains as collective bargaining, minimum wages and hours. We can not afford to balance the budget by abolishing relief and recovery expenditures. All of these things, and more, are actually proposed in some quarters; and it would be easy to do them. But it would leave us defenseless.

We must retain our customary democratic, elective institutions and practices. Our democratic civilian government, under an elective chief executive, must remain firmly in command.

I see no reason why our Nation, with all its resources—many of them unused—can not and should not have a military establishment capable of repelling any conceivable attack, and still have enough left over to abolish poverty and unemployment, to rehouse the Nation, and to raise the American standard of living to a level hitherto unknown.

I have here tried to convey my conception that the problem of national defense is both military and civil; both economic and political; both social and psychological and that it requires attack on all fronts.

California has heavy responsibility in the National Defense Program. I have, therefore, appointed a highly representative group of men and women, leaders drawn from all walks of life, to serve on the State Council of Defense. It is their high purpose to study and plan; to organize and coordinate; to cooperate with the President's National Council of Defense; to help California to make the maximum contribution of which she is capable.

The State Council will meet at Sacramento a week from tomorrow to organize and to undertake its labors.

I thank you and bid you good night.

THE COMMUNIST PARTY IN CALIFORNIA

*Radio address over California Broadcasting System,
October 7, 1940*

There has been growing public sentiment in California in recent years against the recognition of the Communist Party as an American Party entitled to a place on the election ballot.

At this critical time in the world's history and in our international relationships, that sentiment against alien controlled parties in the United States has virtually become a demand for legislative action. It has been aggravated by the scurrilous methods and abusive manner in which Communists either openly or under cover, carry on their political activities. It has been further aroused by such reports from Europe as that made by the liberal American Ambassador to France, Mr. Bullitt, upon his return to the United States, from which I quote the following:

"In France much of the most terrible and traitorous work was done by the Facists and Communists working together. Many honest French democrats and liberals had been snared by Communist propaganda and argued that, because the Communists called themselves a political party and pretended at the time to be in favor of democracy, it would be undemocratic to deny to the Communists the rights of any other political party. The honest French patriots and democrats who protected the Communists did not discover until too late the Communists were acting as spies and agents of the dictators, that the Communist party was merely camouflaged as a political party and was in reality a conspiracy to commit patricide at the direction of a foreign dictator. They discovered too late that the Communists were traitors who were claiming the protection of the State which they intended to destroy only in order the better to prepare for its destruction."

At its special session held on last September 21st, both houses of the Legislature, by a vote which was almost unanimous, only one dissenting vote being cast in the Senate and only three dissenting votes, being cast in the Assembly, passed a bill which is now on my desk, the substantive parts of which are as follows:

First: "No party shall be recognized or qualified to participate in any primary election which uses or adopts as any part of its party designation the word 'communist' or any derivative of the word 'communist'."

Second: "No party shall be recognized or qualified to participate in any primary election which is directly or indirectly affiliated, * * * with the Communist Party of the United States, the Third Communist International, or any other foreign agency, political party, organization or government, or which either directly or indirectly carries on, advocates, teaches, justifies, aids, or abets the overthrow by any unlawful means of, or which directly or indirectly carries on, advocates, teaches, justifies, aids, or abets a program of sabotage, force and violence, sedition or treason against, the Government of the United States or of this State."

A hearing was given the Chief Officer of the Communist Party in California by the Legislature in protest against the passage of this bill. But inasmuch as complaint was made that opportunity was not given for a more extended hearing of all persons who wished to be heard in opposition to its enactment, I have taken time to receive and read all communications and arguments that have been presented to the Governor's office against this bill. I have also given hearings to committees which have presented themselves for oral argument in opposition to the bill, and received and carefully considered their written briefs and legal arguments made against the same on the ground that it violates constitutional rights and American Civil liberties.

American principles of civil liberty require that when any act is questioned on the ground that they are violated, the utmost tolerance and dispassionate consideration should be given the question, and that no decision with regard to it should be influenced by hysteria, emotion or prejudice. For that reason I have carefully analyzed this bill, particularly from the standpoint of safeguarding the fundamental principles of American civil liberties.

It would seem that few, if any, American citizens could be found objecting to the disqualification of a party affiliated with a foreign government or which advocates the overthrow by unlawful means of, or a program of sabotage, force and attack against the Government of the United States or of this State. Yet even at this time, when emergency measures are necessary for our National and State defense, there are some who would object to such a general act. In the name of democracy and civil liberties, they would give legal recognition to a foreign controlled party set up for the purpose of abolishing democracy and civil liberties by any means whatsoever. Such irrational objections can not be reconciled with a sense of loyalty to American institutions.

I do not find in this bill any impairment of the right of freedom of speech or of assembly or any of the civil liberties guaranteed by the American constitution. There is not a word in the bill which would suppress freedom of thought, freedom of speech, freedom of assembly or the freedom to advocate any system of economy or any form of government in the United States. There is not a word in the bill which would disqualify, for a place on the ballot, any American party devoted to the elimination of the capitalist system and the establishment of Socialism in the United States.

I doubt that any informed American citizen, either from the right or the left of the American political scene, would rise to demand that a place on the American ballot should be denied any party like the Socialist Party of the United States which, uncontrolled by any foreign agency, opposes the capitalistic system and advocates the socialization of American industry by constitutional and legislative methods, through democratic election processes.

With regard to the designation of the Communist Party as being disqualified because it is the Communist Party, the Legislature has apparently done this upon what it considers to be common knowledge, that the Communist Party of the United States is a party which is directed by and affiliated with a foreign government or foreign political party or agency affiliated with a foreign government, or which

advocates the overthrow of the Government of the United States and of this State by unlawful means, or advocates sabotage, force and violence, sedition or treason against the United States or this State; instead of leaving it to the courts to decide whether the Communist Party is in fact such a party.

The act contains the clause that if any of its provisions, or the application thereof to any person or circumstance is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

The intent of the act is that the courts shall decide whether any clause is unconstitutional.

It is undoubtedly a fact that the Communist Party's own publications, the sworn statements of its officers, and its own actions in line with directions received from agencies in a foreign nation are relied upon to show that this party does come in the classification of a foreign controlled party and for that reason should not be entitled to legal recognition in the political life of America.

This bill does not go so far as to outlaw Communists or even the Communist Party. In prohibiting that party from participation in the primary election, it does not make the profession of Communist doctrines a crime nor forbid the organization of a political group or of a party that professes Communist doctrines or that calls itself Communist. It does not prohibit the organization of a group that is affiliated or means to affiliate itself with the Third Communist International or any other foreign political organization. It does not deprive such persons of their vote nor prevent them from voting for candidates of their own designation at the general election. It is, therefore, not a bill of attainder.

It does, however, discriminate against the Communist Party by depriving it of the facilities given to other parties in the general election because it is more difficult to write in names than to stamp a cross upon a printed name under a party designation.

And assuming that the Communist Party is not a criminal party; that is, that a purpose to overthrow government by unlawful means or that treasonable activities can not be imputed to that party or its membership, can it be said that if it is affiliated with a foreign group like the Third Communist International, directed not by representatives of the Communist Party of America but by foreign agencies and foreign personnel, that it would be an unreasonable and unconstitutional discrimination to deny it the legal right to continue to receive recognition in our elections? If so, then no act which preserves the American ballot for use of American parties would be held reasonable and valid.

It is admitted by the Communist Party, and generally known that its policies and line of action are determined at meetings of the Third Communist International, or Comintern generally held in Moscow and dominated by men of Russian speech and Russian training, most of whom hold positions under the Government of the Soviets or are in daily and submissive contact with those who hold these positions. Matters of specific national policy, matters which affect the domestic organization of the United States, matters which affect our foreign relations, are the constant subjects of discussion and decision at these assemblies. The small minority of American delegates must accept the

decision of these assemblies and must carry them out in their Communist Party activities in America. They must attempt to effectuate measures in the United States which are determined by the alien majority. They must select and support candidates whose personality and conduct are approved by this alien majority, without reference to the interests of the United States or even to the express dissent of the delegates from the United States.

Mr. Earl Browder, Chief Executive Officer and spokesman of the Communist Party of the United States, recently testified before a congressional committee that it is necessary for it to agree with the decisions of this alien organization, and he approved the following statement of line of authority which directs the activities of the Communist Party in California and elsewhere throughout the United States:

"After a decision has been taken by the Congress of the Communist International, by the congress of the respective sections, or by leading committees of the Comintern and of its various sections, these decisions must be unreservedly carried out even if a section of the party membership or of the local party organization are in disagreement with it."

These facts seem to account for startling changes of attitude and strategy observed on the part of Communists traceable to changes in the foreign policies and pacts by and between foreign governments including Russia.

With sound legal reasons the constitutionality of the procedural section of the bill may also be questioned by lawyers, in that it commits the power to decide when a political party is qualified for the primary ballot to the Secretary of State and Attorney General, without providing for a hearing before either of them.

While their determination is subject to review by the courts, no record of facts or procedure for the courts to review is provided for.

Nevertheless, as I have heretofore stated, it is the intent of the act to leave to judicial decisions the constitutionality of any of its provisions, and I could not veto the bill on the questionable constitutionality of any of its provisions, without being misunderstood upon the subject and policy of the measure. The purpose of this brief statement is to make myself understood in signing my approval of this bill, which I am now doing.

Thank you and good night.

THE COLORADO RIVER BASIN

Radio address over California Broadcasting System,

November 18, 1940

My Fellow Citizens

Last week I spent four days at Boulder Dam, meeting with the Governors and other official representatives of the seven states of the Colorado River Basin, officials of the United States Reclamation Bureau and members of the National Resources Planning Board, discussing our water and power problems and the manner in which the Colorado River system should be developed in order to best utilize its water and power resources and apply them to man's highest purposes.

I wish all the people of California could see Boulder Dam, Lake Mead, and the massive electric generators from which California, and especially southern California, receives so large a share of her electric power. It is not merely because of their spectacular scenic worth, but because a better conception of their importance to the life and well-being of our State and the great southwest is gained by such a visit. It awakens a realization that water and power are bloodstreams and nerve centers of the industrial and economic life of our great western empire.

Most of California's agriculture is dependent upon irrigation for its water supply. The great metropolitan area of Los Angeles is dependent upon large and regular flows of water from other areas far distant. The future growth of California's agriculture, of our industries, and our population is dependent upon our ability to capture, conserve and utilize all of our water resources. In view of this dependence, it seems to me that a knowledge and understanding of our water and power problems, and their intimate relation to the general economic problem, are almost entitled to be deemed a "requirement of citizenship."

Many people take it for granted that there is and always will be plenty of water. But engineers and scientists know better. They know, all too well, that much of California, in its natural state, is a desert or a semidesert, as is much of the other states of the Colorado River Basin. They know that the supplies of water available to make this desert bloom are strictly limited. And they know that the demands of California's prolific agriculture, expanding industries and increasing population are very rapidly approaching the limits set by these resources.

Problems thus presented were discussed at these conferences at Boulder City in the light of facts presented by engineers and technicians. I am, therefore, prompted to talk this evening about the Colorado River, Boulder Dam, and electric power—and their meaning to the people of California.

Most of our country's great rivers have been attractive and easy routes for travel, interior exploration and development. Most of them have figured prominently in the opening and settlement of the country. But that is not so of the Colorado River, because of its deep canyons and dangerous rapids and the roughness of much of the territory

through which it flows. Its development began in very recent years, with the needs of the growing populations of the great southwest for more water and power, and the suffering of certain sections from lack of flood controls.

The capture of the waters of the Colorado River for flood control, water conservation, and power generation was planned for decades by forward-looking, progressive citizens, before action was finally accomplished. Such plans were delayed by the opposition of privately owned power interests asserting that there would never be a market for the power developed at Boulder Dam, and by delays met with in reaching an agreement among the seven Colorado River Basin states as to the division of its waters. Finally, in 1922, after many years of negotiation, the Colorado River Compact was framed. Within the next very few years it was signed by six of the seven basin states and, in 1928, that compact was confirmed by Congress. This was the 47th Interstate Compact adopted under the United States Constitution and the first one to apportion interstate waters. This compact gives a little less than half of the low average flow of the river (as measured at Lee's Ferry) to the four states in the upper basin (Wyoming, Utah, Colorado and New Mexico): and a little more than half to the three states in the lower basin (Nevada, Arizona and California).

With the compact in effect, the Congress soon acted to authorize, finance and undertake the construction of Boulder Dam, the All-American Canal and other lower basin projects. Most of the undertakings originally projected are now completed with great and very tangible benefits flowing to the people of California and with the promise of even greater benefits presently to come.

The Boulder Dam made Lake Mead, with a storage capacity of thirty million acre-feet of water.

The Imperial Dam, supplying water to the All-American Canal in Imperial and Riverside counties is capable of diverting as much as 15,000 cubic feet of water per second, a part of which flows to the Yuma Project, a part for Mexico and a part, eventually, for San Diego. But the major share will be carried by the All-American Canal to irrigate a million acres of Imperial Valley and Coachella Valley lands; a flow of about 10,000 cubic feet per second, which is some eight or ten times the summer flow of the Sacramento River.

Heretofore, the Imperial Valley has always depended upon the uncertain summer flow of the Colorado River which, in some dry years, has run so low that there was not enough to irrigate lands under cultivation although during heavy rainfall seasons in the upper basins the people of this valley were threatened and at times suffered loss of life and property from uncontrolled flood waters. With flow now susceptible of regulation by Boulder Dam, an ample supply is assured and thousands of acres of new lands will be brought under cultivation, with corresponding enrichment of our entire community.

Still another great benefit is now by way of final realization in the new supply of Colorado River water for the cities in the Metropolitan District. A storage and power dam has been built at Parker, from which the Metropolitan Water District, representing the City of Los Angeles and nearby cities, will take up to 1,500 cubic feet of water per second, lift it 1,600 feet over the mountains by means of powerful

electric pumps, and bring it to Los Angeles and many other cities in the Los Angeles basin; thus assuring them a water supply for many years of future growth.

This diversion is already under way. For several weeks water has been pouring into the reservoir formed by the building of Cajaleo Dam near Riverside. Only day before yesterday ceremonies were held at this reservoir naming it Lake Matthews in honor of Mr. W. B. Matthews, for many years legal counsel for Los Angeles and the Metropolitan Water District, and one of the "fathers" of that district organization.

By the middle of next year this water will be in actual use in Los Angeles and vicinity.

And let us consider the matter of electric power from the Colorado River.

The people of Los Angeles, Burbank, Pasadena, Glendale and vicinity have for some time been using cheap power from Boulder Dam distributed through publicly owned distribution systems. Dynamos generating about 900,000 horsepower are now installed at the dam and in operation. Eventually that total capacity will be doubled.

The municipally owned Los Angeles Bureau of Power and Light operates the dynamos generating about two-thirds of the present output; this being the power flowing to public agencies, such as the Metropolitan Water District, and the municipally owned electric distribution plants of Los Angeles, Burbank, Pasadena and Glendale. The other third of the present output is generated by dynamos operated by private agencies.

Los Angeles city is using about 80 per cent of the two-thirds of this power moving to public agencies; accounting for about 60 per cent of all power used in Los Angeles. Thus, Los Angeles is using more than half of all power now generating at Boulder Dam. It is this great market for power that, in reality, underwrote and guaranteed the success of the Boulder Dam Project, and which will eventually repay the Government's investment with interest now reduced to 3 per cent.

The present wholesale electric rates were fixed by contracts entered into in 1930, before the dam was built. They were based upon a 4 per cent interest rate. Since then, technological improvements have cheapened operation costs, and interest rates have declined. Therefore, about two years ago, a committee of sixteen representatives of the seven basin states asked the Government to readjust the rates. As a happy result of their work, the Congress passed, and on last July 19th, the President signed the Boulder Canyon Project Adjustment Act, whereunder new rates are to be set, based upon repaying to the Government the cost of the Dam over a period of fifty years at an interest rate of only 3 per cent.

It is anticipated that the new low rates of interest have been set and in effect in about six months from now. Present estimates are that they will be as low as 1.1 mill per kilowatt hour of electric energy. This will mean a cost of about 3 mills delivered in Los Angeles for distribution; a very low and a most attractive rate to industries using power.

Two more large generators are now being installed at the dam, and a third is on order. The remainder will be built as fast as conditions warrant. However, Los Angeles and southern California may not

buy all of this power since Arizona and Nevada are entitled to take a generous share. It is, therefore, now foreseen that Los Angeles will have soon to build large steam generating plants in order to keep up with the rapid growth of population and the even more rapid expansion of industry in the Los Angeles area.

Then, of course, there are numerous additional sites along the Colorado River, above Boulder Dam, where dams can and eventually will be constructed and dynamos installed capable of generating hundreds of thousands of horse power. There still remain to be decided many questions relating to the development of the Colorado River and the disposal of its waters and electric power. For example, the three lower basin states, by the terms of the compact, have a certain share of the river's estimated annual flow. But the State of Arizona has not yet signed the compact. No settlement has been reached deciding how this water shall be divided; how much to Arizona, how much to Nevada, and how much to California. Another question not yet answered is that of "how much water must be left in the river to flow across the international boundary into the delta country in Mexico?" Mexico claims a large supply for the hundreds of thousands of acres already under cultivation in this rich section. This question can be settled only by treaty with our Federal Government. It is a question of the utmost importance to California because it sets another limitation upon the amount of water we may take from the river. Still another question is that of additional dams and power developments. Already, Arizona is applying for permission to build another high dam at Bridge Canyon, just a few miles above Lake Mead with the expressed intent of going into the wholesale electric power business. Inasmuch as engineers agree that these power developments and their operation should be carefully integrated so as to assure maximum efficiency; inasmuch as, in all probability, it will devolve upon the Federal Government to finance the project, it is my belief that the Bridge Canyon Dam as well as all other dams and power developments along the river, should be undertaken and carried through under federal leadership, control and operation.

I have barely sketched the enormous benefits already conferred upon California and the southwest by these initial efforts to harness and control the mighty Colorado. These efforts first found lodging only in men's minds. Now they find realization out of the plans made by engineers and other practical men, out of the application of science, machinery and power, out of the sweat and labor of thousands of men.

The water and the power only now made available after literally decades of advocacy, planning and political effort are a potent and indispensable factor, not only in the spectacular industrial growth of California, but also in the magnificent contribution California is now making to the building of our national defense. A study of the Colorado River development shows the necessity to plan still further great public ownership developments if the needs of our continuously growing population and future generations are to be supplied with water and power. Meantime, at this Thanksgiving season, we should include thanks for Colorado River and the application of its resources so far accomplished.

PARENT-TEACHERS' ASSOCIATION

Address before District 3, Parent-Teachers' Association, broadcast over Columbia Broadcasting System, Thanksgiving Day, November 21, 1940

My Fellow Citizens

I am grateful to Mrs. Alexander and the members of the Parent Teachers Association of the Third California District for this opportunity to speak to you on this observance of Thanksgiving Day.

It is fitting that the Parent-Teachers' Association take part in this observance of Thanksgiving because this organization of parents and teachers is more immediately and actively devoted to the welfare, education and training of the children of America than any other like organization. The Parent-Teachers' Association has a three-fold purpose: to know the child through study and parent education; to cooperate with the schools and other educational agencies in child training by sharing participation with teachers and educators; to control and build proper environment through the development of public opinion and civic activity.

The Parent-Teachers' Association brings together in one organization those parents, teachers, and other adults who are in essential agreement as to the importance to society of all that concerns children and youth and are interested in developing activities based upon these beliefs. The scope of this endeavor also includes work in connection with all phases of education from the earliest experience in the home and nursery throughout the elementary school, the high school and the college. It includes activities in the fields of parent education and adult education.

In urban centers the contribution of parent-teachers work is frequently evidenced on behalf of children and youth; in rural areas the service of the Association is on the basis of those changing social and educational needs of adults as well as of children and youth which are indicated in the life of the open country.

The Parent-Teachers' Association becomes increasingly valuable to the community as it develops new methods and procedures responding to the changing social and educational needs of our times. The Association is not a charity but a cooperative, nonpolitical, nonsectarian, noncommercial effort to produce American citizens who shall be strong in body, alert in mind and sound in character, capable of performing responsibilities of American citizenship.

On this Thanksgiving Day, November 21, 1940, the parents of America have much to be thankful for, thankful that American parents and their children are not suffering the horrors of war; that American children can safely and happily attend the institutions of free education given them in the democracy of the greatest and strongest nation in the world.

In paying tribute to the members of the Parent-Teachers' Association, it is appropriate to review briefly the history of Thanksgiving today in the United States of America.

Thanksgiving holiday has its origin in the earliest days of our colonial history. The Puritan fathers sought this new world in search of freedom to worship God according to their own like. Here, they found it. Their first year was a bitter struggle for survival against fearful odds. Therefore, in 1621, three hundred nineteen years ago, after their first harvest, Governor Bradford set aside a day for Thanksgiving and prayer. The experiences of this first year have, to this very day, left their unmistakable stamp upon the American people, and they gave to Thanksgiving Day its very first and its very deepest meaning; namely, as a day of fervent thanks for freedom and for plenty.

In his first year as President, General Washington, responsive to a request from both Houses of the Congress, that he: “* * * recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging with grateful hearts the many and signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a form of government for their peace and safety, * * *” assigned Thursday, the twenty-sixth of November, 1789, “* * * to be devoted by the people to the service of that * * * beneficent Author of all the good that was, that is, or that will be; that we may then all unite in rendering unto Him our sincere and humble thanks for his kind care and protection of the people of this country previous to their becoming a nation; for the * * * favorable * * * conclusion of the late war; for the great degree of tranquillity, union and plenty which we have since enjoyed; for the peaceable and rational manner in which we have been enabled to establish constitutions of government for our safety and happiness, and particularly the national one now lately instituted; for the civil and religious liberty with which we are blessed, and the means we have of acquiring and diffusing useful knowledge, * * * And that we may then unite in offering our prayers * * * to render our National Government a blessing to all the people by constantly being a government of wise, just and constitutional laws, discreetly and faithfully executed and obeyed; to protect and guide all * * * nations * * * and to bless them with good government, peace and concord; (and) to promote the knowledge and practice of true religion and virtue and the increase of science * * *”

Thus did the Father of our Country broaden the meaning of Thanksgiving Day to include thanks for the blessings of constitutional government, of a beneficent government watchful for the welfare of its citizens, and of civil liberty. President Madison set aside a day of Thanksgiving for the close of the War of 1812, thus broadening still further its meaning, as a day of thanks for the blessings of peace. And Abraham Lincoln, in 1864, taking note of the augmentation of “* * * our free population by emancipation * * *” (which he considered a true blessing), set apart a day of thanksgiving, and he asked the people to “* * * offer up * * * prayers * * * for a return of the inestimable blessings of peace, union and harmony throughout the land * * * for ourselves and for our posterity throughout all generations.”

Since then, in every year, the President of the United States has set apart a day of thanksgiving.

This year we observe it with added fervor because events have conspired to make us more apprehensive and more thoughtful, and therefore more appreciative and more thankful than ever before, for our freedom and civil liberties, for our constitutional government, for our beneficently inclined government, for our national security, and for peace.

This apprehension has forced us to review the events of the past generation; events which have already culminated in two of the most awful wars man has ever known. Looking back we now realize that new forces have been at work within our bodies social, economic and politic; or, rather, old forces have been permitted to work without control, without proper regard for their harmful effects. And now we witness the consequent stresses and strains upon our institutions.

The resolution of these forces has produced, elsewhere in the world, new, strange and antidemocratic philosophies of government; or, rather, new and strange restatements of old and reactionary philosophies which do violence to the democratic principles upon which those who passed this way before us founded our government, built our Nation and made us one people.

The resulting debate has been healthy for us because it forced us to a critical reexamination of our democratic principles and to an even more critical reexamination of our institutions. I say "healthy" because I believe that America is gradually emerging from this period of self-examination and that out of it are coming national decision and determination.

Decision that there is nothing wrong with our democratic principles. Decision that there is something seriously wrong with some of our institutions, such as, for example, hunger in the midst of plenty, dire poverty in the presence of great riches, mass unemployment in the presence of work that needs doing, monopoly practices and exactions by men who preach competition and free enterprise. Decision that the failure of institutions is the harmful result of our failure to keep the forces of greed and selfishness within due bounds.

Determination to resolve these forces into new and constructive directions. Determination to eliminate those of our institutions which are bad or can no longer serve us well. Determination to reform or rebuild those institutions which stand in need of repair. And determination, above all, to defend, maintain, and continue the practice and expansion of our democratic principles.

And this self-examination is healthy for still another reason. It brings to mind all the more sharply, it brings home to us all the more forceably the things for which, and the reasons why we should and do have a very real feeling of thankfulness for the blessings that befall us in America.

We give thanks for the resources and the fruits of nature with which our land is so richly endowed. We pray only for the wisdom to guide their conservation and utilization to best serve man's present and future needs. We are grateful for a strong and a beneficent government and for the sound democratic principles upon which it is so well founded, and to the maintenance of which that government is so firmly committed.

We are grateful for the wide oceans which form so effective a barrier to armed invasion of our shores. We are grateful for the friendly relations prevailing between and among the governments and the peoples of the western hemisphere.

We view with alarm and compassion the awful scene of carnage in Europe and Asia, and we realize, to our dismay, that it is only in a rather technical sense that our government remains at peace. But we are grateful for the fact, above all else, that we are not directly involved. We pray only for the wisdom and the providential guidance that will continue to hold us safe and unharmed. Right now, we are in one of the most awful moments, one of the most critical moments of man's long history.

We are, therefore, most fervently thankful for the unity of purpose which has become so manifest among all citizens throughout the length and breadth of our land; the purpose to defend our people, our shores and our government against any possible invasion from without; the purpose to defend and maintain our democratic principles and all that is good in our institutions; the purpose to so reform and rebuild that we shall at once draw closer to our hearts all that is worth defending and, at the same time, make ourselves proof against all attacks, disintegration and deterioration, both physical and mental, whether from without or from within; the purpose to remain at peace; and the purpose to implement all of these other purposes by so building, outfitting and organizing our military might that we shall stand as a rock of strength and peace for our own, and as a symbol of hope for all mankind.

Seventy-seven years ago, in another period of deep crisis, Abraham Lincoln issued a Thanksgiving Proclamation in which he said, in part: "Needful diversions of wealth and strength from the fields of peaceful industry to the national defense have not arrested the plow, the shuttle or the ship; the axe has enlarged the borders of our settlements, and the mines, as well as iron and coal, as of the precious metals have yielded even more abundantly than heretofore. Population has steadily increased notwithstanding the waste that has been made in the camps, the siege, and the battlefield; and this country, rejoicing in the consciousness of augmented strength and vigor, is permitted to expect continuance of years with large increase of freedom. No human council hath devised, nor hath any mortal hand worked out these great things. They are the greatest gift of the most high God * * *. It has seemed to me fit and proper that they should be solemnly, reverently, and gratefully acknowledged as with one heart and one voice by the whole American people."

We of the Western States have a big stake in all of these things for which we are today so grateful. It is a stake in which we find ample reason for unity with the rest of the Nation; ample reason for cooperation with our sister states and with the Federal Government. In this hour of crisis we pledge that unity and that cooperation to the national defense, sensitive of the very special contribution it is our responsibility to make to that defense. It is the responsibility that grows out of our Western pioneer tradition which we so proudly retain. Pioneers are not afraid of the future.

Lastly, let us be compassionate for the suffering victims of war, and deeply mindful of our Christian responsibilities to those in our own land who suffer the pains and distress of sickness, poverty and insecurity. They, too, are entitled to the heritage that lies in the promise of American life.

I thank you.

THE CENTRAL VALLEY PROJECT

Radio address over California Broadcasting System,

December 26, 1940

My Fellow Citizens

I was absent from the State during the two weeks from Sunday, December 8th, until last Sunday, on a trip to the National Capital. I spent a week there. I talked with many government officials about many matters of vital interest to California. But the principal object of my visit was to talk with President Roosevelt, and others, about the further development of the Great Central Valley Project.

Most Californians know, at least vaguely, that the valleys of the San Joaquin and Sacramento rivers are rich and fertile, but fall far short of their maximum capabilities because throughout vast areas of these valleys there is a shortage of water. Most Californians know, vaguely, that hundreds of farms, comprising thousands of acres, have been abandoned and have reverted to desert because of water shortage and the prohibitive cost of electric power to pump water from wells. And most Californians know, vaguely, that the people voted—seven years ago—to authorize the State Government, through the so-called Water Project Authority, to issue up to \$170,000,000 in revenue bonds and to spend the proceeds for dams, canals, power plants, pumping plants, power lines, etc., in order to tame the waters of the Sacramento and San Joaquin river systems and to conserve these waters and apply them to agriculture, industry and commerce.

But only a very few people know much about the details of the Great Central Valley plan. Only a very few people could give a clear account of what dams are to be built, and where; how much electric power will be generated; how much water will be carried, and how far, and to how many thousands of acres of land now good only for dry farming. Only a very few know how the Central Valley Project, when completed, will reduce flood damages almost to zero, make the Sacramento River readily navigable as far north as Chico Landing, perhaps as far as Red Bluff. Only a few people know how the Central Valley Project will stop the encroachments of salt water which, in recent years, have ruined thousands of acres of rich lands and caused more than \$30,000,000 of direct crop losses in the delta areas above San Francisco Bay. But still few people have any real conception of the enormous real benefits—benefits far average men and women—which can be made to flow from the Central Valley Project.

For example, at Shasta Dam, north of Redding, the impounded waters will generate enormous quantities of electric power—cheap power. Cheap power, in that area, would make practical the development of chromium ores, known to exist but heretofore of little value because of high smelting costs. Another example. Cheap power and cheap water would make possible the establishment of straw board and insulating board plants to utilize the thousands of tons of straw and other farm by-products which now go to waste or, at best, bring only very low prices.

Another example of benefits is found in the improvement of Sacramento River navigation to be made possible by the Central Valley Project. River boat freighting is the cheapest transport known. Regulation of river flow at Shasta Dam will make possible the reestablishment of year-round river traffic as far north as Chico Landing, and the lighter-draft boats will be able to go fifty-two miles further—to Red Bluff. To the farmers of Colusa, Sutter, Butte, Glenn, Yolo and Tehama counties, this will mean cheaper access to both domestic and world markets through San Francisco Bay; with a correspondingly improved chance to realize a profit from their crops. Along and near the Sacramento River there are to be found deposits of gravel, building stone, limestone, clay, and other materials and ores, all of which, if they are to be exploited and marketed, are utterly dependent upon cheap transport. To the owners of these deposits, the reestablishment of river traffic will open the way to new industries and the general enlargement of employment. Based upon an average saving of only fifty cents per ton, it is estimated that the reestablishment of river traffic on the Sacramento will at least double in the fifteen years following completion of Shasta Dam, and save shippers over half a million dollars a year. Army engineers estimate that to reopen the river to Chico Landing without the regulation made possible by Shasta Dam, would cost at least seven and a half million dollars, and their works would be subject to all the hazards of flood damage with which we are today all too familiar. Still another example of the benefits possible from the Central Valley Project is found in the enlargement of recreational facilities. The Shasta Reservoir, north of Redding, and the Friant Reservoir, north of Fresno, will, of course, be the largest in the system. But the whole plan, when completed, will include some twenty-two other reservoirs. All of them will be most inviting for recreational purposes. Recreation is a "major industry" in many sections of the country. We in California, especially, know what a valuable asset it is. There is every reason, therefore, to look forward to a very great expansion of all business dependent upon sportsmen and others seeking these artificial lakes for recreation. Building all of these dams, and changing the behavior pattern of these two great rivers will, of course, change the fish life. In some instances, it may cause actual loss; as, for example, with the salmon, thousands of which migrate to the upper reaches of these rivers to spawn. But the new lakes, on the other hand, will become the habitat of other fishes and greatly enlarge the number of places where California sportsmen may go for good fishing. I could, easily enough, extend the list of benefits possible from the Central Valley Project; but the points about it which need most to be brought to public attention now are these:

1st. The Central Valley Project can be made to solve the entire water shortage, flood control and navigation problem of the great Central Valleys upon which the prosperity of the entire State depends.

2d. The Central Valley Project can be utilized to expand and stabilize industries and create an endless array of new enterprise—profitable enterprise—both public and private.

3d. At present, fewer than one million people live in the Central Valleys. The Central Valley Project is the key to making these valleys provide homes and the good life for many millions.

4th. But these benefits can not be expected to come out of the mere assertions that they are possible.

5th. These benefits can come only out of broad-visioned plans courageously executed.

6th. We have basic plans but they are not going forward rapidly enough. Immediate action is needed by an executive authority clothed with all of the powers necessary to take over operation of the project from the production stage. It is now recognized that greater speed is necessary because of the contribution the Central Valley Project can make to the national defense. A shortage of electric power is now in view. We need the power presently to flow from the Shasta Dam dynamos. And, in order that this power shall accomplish the greatest good, it must be distributed to industries, farms and homes at the lowest possible rates, and this means public ownership.

7th. The direct returns from the sale of water and power will pay off the entire investment, with interest, thus providing a substantial outlet for private investment.

8th. But, in order to realize maximum benefits, we must reorganize our scheme for its execution and push it to completion with renewed vigor, and—

9th. The time is now ripe to effect this reorganization. The project was first adopted as a State venture. But parts of it—the most essential parts; that is, the financing and building of the main features of the project, have been taken over by the Federal Government. Instead of waiting for legislative action enabling the State to administer the benefits of the project, and a determination of State and Federal functions in the distribution of its benefits, it would seem that the time has now come for the National Congress to adopt broad-gauge plans to apply to the planning, building and operation of the Central Valley Project the same ideas and policies that have remade and revitalized the seven states of the Tennessee Valley under the guidance of the TVA.

While in Washington I discussed this proposal at length with President Roosevelt, in company with T.V.A. Director David E. Lilienthal. Both of them are closely familiar with our Central Valley problem. The President is strongly in favor of the creation of a Federal California Central Valley Authority, patterned after the Tennessee Valley Authority. A bill to establish such a regional authority, to be prepared with the collaboration of our State agencies, will be introduced in the Congress at its coming regular session. By such a measure we can apply the strong central authority and financial aid of the Federal Government to the problems of the Central Valleys, but with the great advantage of having all plans made and executed right here on the ground—by men who know what it is all about.

Life in California can continue to be a bitter struggle for mere subsistence for the great mass of people who live here. Or, with the help of such organization of human effort and cooperation as we see so successfully exemplified in the Tennessee Valley, it can be a life of security and comfort for far more people than live here now.

I hope your Christmas was happy for your children, and as cheerful for you as unhappy world conditions permit to thoughtful people.

My fervent prayer, for the coming year, is that it shall bring prosperity, increased personal security, national safety, and an end to the wars now raging.

I thank you and bid you good night.

PUBLIC ADDRESSES AND
RADIO TALKS

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1941

THE CENTRAL VALLEY PROJECT AND ITS RELATION TO TRANSPORTATION

*Excerpts from an address to the Pacific Transportation Association,
Commercial Club, San Francisco, January 21, 1941, and
broadcast by National Broadcasting Company*

One of the principal features of the California landscape, and one of the most important features, economically, is a great trough or valley, lying between the Coast Range on the west and the Sierras on the east. This trough averages fifty miles in width and it is four hundred fifty miles long, stretching from the Tehachapi Mountains and Kern County on the south, to the headwaters of the Sacramento River above Redding in Shasta County. This long trough is known as the great Central Valley of California. The south half is drained by the San Joaquin River which flows northerly. The north half is drained by the Sacramento River which flows southerly. The two rivers join between Stockton and Sacramento and flow together into San Francisco Bay.

The Central Valley is already long famous for its agricultural productivity. Its soils are underlaid with rich deposits of gas and oil. The mountains flanking it are richly mineralized and clad with forests.

California has a population of nearly seven million people. A million of them live in the Central Valley. At least three of the other six millions are directly, if not wholly, dependent, for their livings, upon the economic activity of financing, packing, processing, manufacturing, refining, selling, sacking, handling, and shipping, and eating and wearing and using the products of the Central Valley; or upon supplying the wants of the people living in the Central Valley.

California's population has quadrupled in the forty years since the turn of the century. I regard as wholly conservative my belief that the population will again double by the end of the century, sixty years hence. If present trends continue, the increase will be accounted for, not by the natural excess of births over deaths within California, but by immigration from without. And, if present trends of immigration continue, the vast majority of immigrants will be farm families from east of the Rockies; from those sections of the country where the excess of births over deaths is producing what might be termed an exportable surplus of population.

Where are these immigrants going to settle down? What are they going to do for their livings?

The problem of assimilation here posed is scarcely comparable with the relatively simple problem of three, four, and five generations ago when millions of newcomers were moving into an unsettled, unclaimed, wilderness; conquering the west. For the most part, the seven million newcomers in the next sixty years are going to have to settle down by sandwiching themselves in between and among us who are already here, legally entrenched and in possession. The experience of recent years, so dramatically portrayed by the Grapes of Wrath,

warns us that there may be much friction in this process of sandwiching-in unless we plan for the future.

This we have done. Many years ago California had the foresight to set her engineers to planning for the future. From 1921 until 1931, the State Division of Water Resources devoted ten years to intensive studies and investigations of our water and land problems. Out of these investigations the State Water Plan was developed, which, in a report to President Roosevelt in 1934, was termed "the most carefully considered and complete plan of its kind ever drawn up."

The plan calls for the control, storage, redistribution and utilization of flood waters which now waste into the Pacific Ocean. The plan will provide ample water for every acre of irrigable land on the floor of the entire Central Valley, control the floods, produce nearly six billion kilowatt hours of electric energy annually and perform numerous other services for the people.

There are ten million acres of irrigable agricultural land in the Central Valley. With water, these acres are capable of supporting millions of people. But the water supply is unevenly distributed both geographically and seasonally. Two-thirds of the total rain and snow fall in the Central Valley drainage basin occurs in the Sacramento River watershed containing only one-third of these ten million acres; while that of the San Joaquin River Valley, containing two-thirds of the land, receives only one-third of the rain and snow.

The State Water Plan is a method for moving the rain waters from parts of the State having too much to those having too little. It can not be carried out completely in a decade, or even in a generation. It is a comprehensive plan covering the entire State, and is subdivided into a number of units, each affecting a separate river basin of which the Central Valley consisting of the watersheds of the Sacramento and San Joaquin rivers is one. This, the most important unit, since it affects by far the largest cultivable area in the State, is known as the Central Valley Project. It is now being constructed. It was designed to store flood waters and distribute them for irrigation. But to do this required the installation of a great dam at Shasta to impound four and one-half million acre feet of water, which is usable for many purposes. The Central Valley Project is one of man's boldest plans to overcome handicaps imposed by nature and to turn them to good account.

The principal features of this project are:

1. Shasta Dam—the second largest dam in the world—a great high concrete structure across the Sacramento River above Redding.
2. A smaller dam, also a concrete structure, across the San Joaquin River at Friant, twenty-one miles north of Fresno.
3. A system of canals and pumping plants to divert water from the Sacramento River below the City of Sacramento and to carry it to the San Joaquin Valley country as far south as Mendota in Fresno County.
4. Canals to carry water from Friant Reservoir southerly to the vicinity of Bakersfield and northerly to lands in Madera County.

5. A great hydro-electric power plant at Shasta Dam and a 200-mile transmission line to load center near Antioch.
6. And probably a standby steam electric power plant, near Antioch, to "firm" the power from Shasta Dam.

But the dams, canals, power plants, and pumping stations are not the final end and aim of the project. They are only the means to that end. The objective of the Central Valley Project, in broad terms, is the promotion of the general welfare. Careful engineering study, planning and execution are necessary to the building of those great works which form a sound physical base upon which we might build a well balanced and effective economy and social structure; but they are not that structure.

That structure, and its success or failure, will depend upon and consist of the patterns of land tenure, the size of holdings, the manner of settlement, the patterns of farm operations and markets; upon rational labor relations; upon the pattern of industry; upon the cost of transportation to market; and, finally, it will depend upon the cost to consumers of the electric power to be produced by the project, and of water and other benefits promised.

Let us canvass some of the benefits promised. Briefly, they are:

1. Reduced flood damages in both the Sacramento and San Joaquin Valleys.
2. An assured supply of 1,677,000 acre-feet of water per season for irrigation of lands having rights to the use of Sacramento River water, or approximately 40 per cent more water than has been used by the lands in recent years.
3. An assured supply of 3,472,000 acre-feet of water per season to meet the irrigation and salinity-control requirements of 400,000 acres of rich land in the Sacramento-San Joaquin Delta.
4. Provision of adequate water supplies for domestic, industrial and irrigation requirements of the area extending from the delta to Martinez which will be served by the Contra Costa Canal.
5. Improved navigation on the Sacramento River to Red Bluff; a minimum depth of five feet to Chico Landing, and four feet to Red Bluff.
6. Generation of approximately $1\frac{1}{2}$ billion kilowatt hours of electric energy annually.
7. A variable supply of water, averaging 860,000 acre-feet per season, for lands in the northern San Joaquin Valley now using San Joaquin River water. Even in extremely dry years, this will exceed their present dry-year supply by more than 50 per cent.
8. A supplemental water supply for $1\frac{1}{4}$ million acres of developed farm lands in five southern San Joaquin Valley counties now in dire need of additional supplies.
9. Restoration of underground waters which have been so heavily overdrawn in recent years in the southern San Joaquin Valley.

10. Restoration to use of thousands of acres of good land in the southern San Joaquin Valley now abandoned for lack of water.

Millions of acre-feet of water, millions of acres of land to be given water, and billions of kilowatts. In order to give these figures meaning, it becomes necessary to give them a liberal translation.

For example, it means something to me when I am told that the Central Valley Project can readily be made to yield the good life for two, three, or four times the present population. It means something to me to be told that such increases, with corresponding increases in all lines of production and economic activity, including transportation, are the possibilities, the promise of the Central Valley Project.

I am therefore glad indeed for this opportunity to talk about the Central Valley Project, to men actively engaged in the various branches of the transportation industry, because you are already familiar with the amazing number, variety, volume, tonnage, and value of the products of the Central Valley. You know how they reach their markets. You know how they are gathered, pressed, processed, manufactured, packed, stored, transported and financed, and finally moved into consumption.

Therefore, when anyone describes the main features and the major benefits promised by the Central Valley Project, you are readily able to picture them in terms of your own industry, and grasp their enormous significance to the whole community.

You know how vital it is to the welfare of the community that all of this economic activity be well served, in all its stages, with well organized transportation facilities, geared in cost, frequency and speed of service, to the nature of the commodities moved.

You know the full meaning of again extending Sacramento River barge traffic one hundred ninety miles upstream from Sacramento to Red Bluff. Years ago, this traffic was very heavy. But with the development of hydraulic mining, plugging the river channels with millions of tons of gravel and debris; and later, with the advent of the railroad, offering frequent, regular service and competitive rates; and with the heavy diversions of water from the river for irrigation, the summer flow of the river fell to such low levels that water traffic above Sacramento was gradually choked off, almost to the vanishing point.

Now, with the regular flow and navigable depths of water soon to be reestablished by controls at Shasta Dam, there is no sound reason, except rate schedules artificially maintained for the benefit of trucks and railroads, why river barge traffic should not again come into its own. My own view is that there should be no such discriminations against any form of transportation.

Army engineers estimate that the area tributary to the river above Sacramento should easily produce a million tons of river freight per year. Experts tell me there would be a saving of \$1.25 a ton as against other forms of transport from this area to San Francisco. But even at a saving of only 50 cents a ton, the producers in the upper Sacramento River districts able to use river barge freighting service would realize savings which would enable them to repair their flood damages, pay their debts, and show profits.

You know, also, what it will mean to the transportation industry serving the Central Valley if the population of the Central Valley be

doubled, trebled and quadrupled, and if, as a consequence, travel within the valley and travel in and out of the valley be doubled. You know, also, how it will stimulate your industry, and the packing, warehousing, and marine terminal industries as well, if the volume, tonnage and value of the agricultural products of the Central Valley be doubled and trebled. You know, also, what it will mean to your industry if cheap power, cheap water, and cheap transport shall enable the establishment of scores, yes, hundreds of new industrial enterprises in the valley; converting agricultural wastes into usable commodities; exploiting clay, limestone and gravel deposits and other mineral deposits heretofore too remote or too low grade for profitable development; smelting ores; building homes and all of the facilities of an expanding economy.

All of these things, and more, are the possibilities, the promise of the Central Valley Project.

This promise, and the public character of the project were emphasized, and its relationship to the whole economy of the people was confirmed and clarified when they voted adoption of the Central Valley Project Act which contains the following declarations:

"The people of the State of California * * * declare that the public interest, welfare, convenience and necessity require the construction * * * of a system of works for the conservation, development, storage, distribution and utilization of water, with incidental generation, transmission, and distribution of electrical energy, which system of works is hereby designated as the Central Valley Project and is hereby specifically approved and authorized."

The act further declares:

"The construction, operation and maintenance of said Central Valley Project, as herein provided for, is hereby declared to be in all respects for the welfare and benefit of the people of the State, for the improvement of their prosperity and their living conditions, and this act shall therefore be liberally construed to effectuate the purposes and objectives thereof. The (Water Project) Authority and the Department (of Public Works) shall be performing a governmental function in carrying out the provisions of this act."

But we all know that very often there is a whole world of difference between promise and realization. We all know perfectly well that the success of any enterprise, once conceived, whether public or private, depends less upon careful plans than upon competent management. In other words, I conceive that it would be perfectly possible, with incompetent management, for the Central Valley Project to be built and placed into operation without our ever realizing its full promise; without our ever realizing more than a very slight stimulation to population growth and economic activity; without our ever realizing more than a very slight rise in the standard of living for the masses of citizens living in the valley.

Therefore, at this stage of development of the project, I am more concerned with what shall be done with it and how, than with its broad physical features and potentialities.

I am thoroughly satisfied with the construction designs thus far submitted by the engineers. They have been checked and double checked by other engineers and found to be feasible; not only technically feasible but economically feasible as well. In other words, if bonds were to be issued to finance its cost, they would be a businesslike, sound investment.

I am convinced that in the last analysis the success of the Central Valley Project will depend upon the policies governing its operation; upon its careful and complete integration into the social and economic life of the people; upon the hard common sense and sound social attitudes, the courage and determination of those who will be charged with its operation; upon their having authority to act when action is necessary; and upon the wisdom of their actions.

I have some fairly definite ideas about how the Central Valley Project should be handled from now on. They are not as well known as I should like. Therefore, I wish to discuss them briefly.

But first, let me say something about the present state of the project.

The cost was first estimated at about 170 million dollars and in the Central Valley Project Act, approved in 1933 by the people, the State was to undertake construction in its entirety. But hard times intervened and nothing was done. So, finally, acting in response to the general welfare clause of the United States Constitution, President Roosevelt made the first funds available for the project under the National Industrial Recovery Act. This was in 1935.

Since then the Federal Government has undertaken to construct all of the main features of the project. Seventy-three million two hundred thousand dollars have been allocated already, and the President's Budget contains an item of \$25,000,000 more for the coming year. In order to speed up the completion of Shasta Dam to make its hydroelectric power available as early as 1943 to meet increased requirements for national defense, we are asking that this appropriation be doubled. Shasta and Friant Dams are now under construction. The Sacramento River will soon be under control, and the Shasta dynamos should be ready to deliver electric power within three years. This work is being done by and under the direction of the United States Bureau of Reclamation, a division of the United States Department of the Interior.

For the present, this arrangement is highly satisfactory. But we shall presently encounter difficulties.

For example, the project is going to cause serious damage to fish life, especially to the salmon, unless strenuous and fairly costly measures are taken to prevent. Our Fish and Game Division has made and is making exhaustive studies with a view to meeting these problems, but finds itself unable to make specific recommendations or to act effectively. This is partly because the Reclamation Bureau has not yet decided just how Shasta Dam water flow is to be operated, just how the salmon spawning runs are to be diverted when the salmon are no longer able to travel up the river to their usual spawning grounds. Nor is it decided whether the Federal Reclamation Bureau or the State Division of Fish and Game shall conduct and supervise the propagation of new fish life in the Shasta reservoir. Moreover, in coming to these decisions, still other Federal agencies will have to be consulted, and their

approvals obtained. I express the hope that plans and works to meet the fish problems introduced by the project can be formulated in time to prevent serious losses.

Another example is found in the new navigation and flood control problems to be encountered. Heretofore our State agencies have had to work with but a single Federal agency, the War Department, in handling these problems. Now, another and additional agency must be reckoned with, the Reclamation Bureau, which will regulate river flow at Shasta Dam. I express the hope that the War Department and the Reclamation Bureau can and will cooperate effectively and without loss of time; and these two with our State agencies.

Another example is seen in the problems of the people in dealing with the governmental agencies. Assuming that the coordinated work of other agencies efficiently accomplishes direct and tangible benefits from the project in the form of flood protection, bigger and cheaper water supplies and cheaper electric power, the people still have to deal with numerous other Federal agencies in matters of credit, markets, crop benefits, and soil erosion control and so forth. How much better off they would be if all of their dealings with the Federal Government could be negotiated and conducted with a single government agency, itself concerned solely with the development of this one region and all of its parts, keeping each in its proper relationship to the others.

Still another difficulty is encountered in the fact that the main offices of practically all of the Federal agencies are located in Washington, D. C. All major decisions are made three thousand miles away from the job. Complaints so often heard about the slowness of governmental action, are largely due to this fact.

Nevertheless, let it be remembered that the exercise of the Federal Government's broad, centralized powers is absolutely indispensable to the completion of the project, to its successful operation and management, to the development of all of its potential benefits, all in proper balance, and to making these benefits available to all of the people. The Federal Government has all of the authority as well as the strong financial power required to go through with the job. It has all of the power and authority needed to deal with all of the many groups within society whose interest impinge upon, some of them conflicting with, the objectives of the Central Valley Project. No additional Federal powers are needed.

But close examination reveals still another major cause of slowness of governmental action. It results, not from the centralization of power in the Federal Government, but from the overcentralization of the administration of that power. Government is thus made too remote from the people. With powers of decision and administration seated 3,000 miles away and there dispersed among scores of different agencies and bureaus, each intent upon its own job, it becomes very difficult, almost impossible, to integrate their functions, to mobilize them, and to bring them to bear, fully balanced, upon the problems of any given region. Nevertheless, this is exactly what we must do in order to squeeze out of these bureaus the full benefits and efficient services which they are capable of giving.

What, then, should be done?

I firmly believe that in order to bring our Federal Government closer to the people, in order, specifically, to apply the full benefit of Federal authority and finance to the orderly, balanced, rational development of the great Central Valley areas, we should have a Federal Regional Authority with its main offices in the heart of the Central Valley region, fully financed, fully authorized, and charged with the responsibility of operating the Central Valley Project and stimulating and protecting economic opportunity throughout the region.

I do not refer to opportunity for a small number of already powerful business institutions to add to their strength. I refer, rather, to economic opportunity, economic liberty, for the average man; for men rather than institutions. I refer to economic opportunity for that major portion of our population whose economic freedom is so insecure, threatened as it is, by the steady growth of monopoly and concentration of wealth and power.

Just how would such an authority work with the people? Let us suggest a few ways.

First, of course, by completing the system of works which we call the Central Valley Project.

Second, by establishing the lowest possible prices for irrigation water supplies.

Third, by establishing and securing adoption of mass-consumption price policies for the distribution of electric power at the lowest possible costs to its consumers.

Fourth, by promoting programs to fortify and rebuild the soil, by methods which will stimulate and strengthen the private enterprise of farming. It is upon the soil that our hopes for a rising standard of living depend.

Fifth, by carrying on scientific and technical research, and by building and operating pilot plants in order to develop new industrial processes and machinery. By making such findings available to the public; by interpreting the facts about the region's resources and potentials and needs; in order to stimulate the initiation and growth of private enterprise.

Sixth, by the regional integration of agencies, both public and private, both Federal and State, upon which future economic growth depend.

• • • •

Now, to summarize.

The Federal Government is building a vast system of works in the Central Valley of California.

These works can accomplish great good for the entire region and serve the general welfare of the people if a thorough job is done with an eye single to the general welfare.

This means stimulating economic opportunity for the greatest possible number of people.

It is reasonably certain that under almost any plan of operating the project it will give rise to increases in population and economic activity in the Central Valley. But if the job is thorough; if it is planned and performed under a Regional Authority, located and

empowered to make decisions and establish policies right on the ground, we should see two, three, four, or five millions of people living here, in security and comfort. Agricultural and industrial output, and general economic activity should rise 200, 300, even 400 per cent.

All this has meaning to you who are engaged in the transportation industry.

You who are interested in transportation naturally want to see passenger travel and freight tonnage moving within the Central Valley or going into or out of the valley, rise by more than a mere 25 per cent or 50 per cent. You want to see these figures rise by 100 per cent or 200 per cent.

The difference is one of attitude. It is a difference between a neglectful attitude and a determined, intelligent, constructive attitude toward the future of our great Central Valley and the people who are to live there.

To achieve maximum benefits entails support of a bill soon to be introduced in Congress to establish a Federal Regional Authority for the development of California's Central Valley.

I ask you to support its adoption.

GOALS OF DEMOCRACY

*Remarks made at the California Conference of Social Workers,
Senator Hotel, Sacramento, February 1, 1941*

Ladies and Gentlemen

It seems to me that the one great comprehensive goal of democracy which is all inclusive is the achievement of social justice. One of the truly great philosophers of our day once wrote that "the beginning and end of morality, or ethics, or peace in family, tribe, or nation, is social justice. Social justice is the final test of civilization, the enduring foundation of all progressive civilization. It means nothing less than altruistic behavior of the type which had biologic value when the human race was a family, which has value today, and will as long as man is human, and not a mere animal who would tyrannize over his fellow men for sheer love of power or of self."

We take pride in the fact that our American democracy has made great advancements toward that goal, that it represents a net gain in civilization, but I believe all will agree that we are still a long way from the goal of social justice and that it will not be suddenly reached; that it will ultimately be realized only through further bitter experiences, gradual transitions and evolutions in collective thinking and collective action throughout generations to come. The steps toward it will embrace movements and measures forced by exigencies and acute conditions. That has been civilization's past experience. Movements toward social justice grow out of protests against the existing order which are born of suffering from social injustices that still remain after particular advancements have been made.

It seems wholly likely that the early Christian hopes for social justice never went beyond the hope for permission to practice their religion.

Pope Urban, the II, set in motion a series of crusades which lasted through several generations, during which the emotions of millions of men were centered upon christianizing the Holy Land. That was their idea of social justice.

And so on down through the pages of history. At one time and another social justice has had its connotations of freedom of religion, freedom of speech, freedom of press, freedom to the private ownership of land and property; no taxation without representation; the right to vote, the right to assemble; freedom from slavery.

Within my own memory, efforts to destroy private monopolies and their fictitious price-fixing practices have been made; monetary reforms, and the freedom of workmen to associate themselves in labor unions, with the right to strike for betterment of their conditions and a decent wage scale, have been made in the cause of social justice.

Considerations of social justice have required the regulation of privately owned railroads and other utilities; safety regulations in industry; and interference with or intervention in many trades and professions to prevent unfair practices. Social justice has come to mean the right of workers to bargain collectively; the right to work; job security; old age security. Never in all history has there been so vast a literature of protest against insecurity; against poverty, want and even hunger in the midst of plenty.

What will social justice mean in the future?

Ten years ago a great American philanthropist declared that within thirty years; that is, by 1961, the United States would see the end of dire poverty, disease and unnecessary suffering.

We could. But will we?

I too am hopeful, but not so optimistic. We must take account of the horrible injuries society is now sustaining and the even more horrible injuries in prospect. And we must take into account the fact that while a democracy, the American way, government by consent of the governed, decisions by a majority of free citizens, is fundamentally and eternally the best and most righteous system of government in the world, its processes are slow and its accomplishments are too often impeded by prejudice, false propaganda, selfish group interests, and lack of intelligent understanding of issues by the electorate. Therefore, I must admit that in 1961 we may still see poverty and altogether too much suffering.

Poverty is a disease, of course, a social disease, as is crime. Poverty is a deficiency disease. It is a combination deficiency of vitamins, deficiency of socially useful habits, deficiency of the wherewithal to pay for clothing, food and shelter.

We have made great progress in coming to understand these diseases individually. Understanding is the beginning of wisdom, but only if we use that wisdom.

Without attempting to canvas the entire list, I should say that our gropings, our searching, our crusading for social justice in the years ahead must include some very practical measures to stamp out these deficiency diseases and make the American people a healthy people; to secure a greatly enlarged national income and a rational distribution of that income; to put a stop to the laying waste of our rich heritage of natural resources, the soil, the forests, the oil and minerals and the waters, and planning for their utmost beneficial use by this and future generations.

I should say that social justice must include the rationalization of our huge industrial monopolies and aggregations of wealth in order to secure to the people the great benefits which really are the potential, the promise of monopoly and wealth, instead of the exploitation so commonly practiced.

You who are engaged in social welfare work are engaged for the most part in a work of alleviation of poverty and social diseases, not in the removal of their causes. However, the social minded attitude which your work instills enables you to learn the causes and contribute to their removal. You come to realize that the basic cause is the animal instinct of selfishness and greed. An economy and philosophy of government prompted by that instinct is a false philosophy from the standpoint of social justice. A system of economy and policies of government not based upon rewards for service to society, but upon rewards for the most successful exercise of the instinct of human selfishness, greed and power to exploit the lives of others will never lead us to the goal of democracy—to social justice. Great battles in the political and in the industrial field will continue on to remove the causes of poverty and social injustice in civilization's travail for the goals of democracy.

I thank you.

TRIBUTE TO GREECE

*Remarks made as part of Nation-wide broadcast on program "America Calling,"
February 8, 1941*

Fellow Americans

The whole world owes so much to Greece for her contributions to culture. The whole west joins in grateful tribute to the Greeks. They have made over "the glory that was Greece" into the flaming slogan of democracy, "The glory that is Greece." Smaller in area than our State of Alabama; smaller in population than New York City; tiny Greece has won for democracy her first victories in this war, and has thus become the very symbol of hope for free peoples everywhere. We are thus inspired and determined to preserve our great heritage from the Greeks, that greatest of our social inventions, to which all Americans are dedicated, and which we call democracy.

Twenty-five hundred years ago they saved the civilization of that day from the vast hordes of the Hitler of that day, the Persian Xerxes. Their ambassadors refused to prostrate themselves before him and cry, "Heil Xerxes!" Instead they declared that "We were never taught to adore a man."

When a Persian prince pointed to his wealth and luxury and advised them to yield, they answered, "You have never known how sweet a thing is liberty or you would have urged us to sacrifice everything to preserve it."

Today, again, the Greeks are sacrificing everything to preserve liberty. Not only for themselves but for the whole world. We can, without sacrificing anything, support their supreme efforts in these dark hours. Now is the time of their desperate need of that which we can give—dollars. Dollars are blankets—dollars are bandages and dollars are medicine—dollars are deliverance from despair. In the snow of their mountain passes they are shedding their blood. Surely we can not refuse to shed a few dollars for aid to the heroic Greeks.

PALO ALTO UNDERPASS DEDICATION

Extemporaneous remarks at University Avenue ceremonies,

Palo Alto, March 8, 1941

Mayor Blois, City Officials, President Wilbur, other leaders in the civic, educational and industrial development of this community—people of Santa Clara Valley

All of California is interested in this day of dedications and celebration at Palo Alto. Interested, not merely because we celebrate and dedicate the completion of the modern facilities of transportation which are meeting the great needs for public convenience and safety in the underpass now so splendidly completed with modern construction—not that we are merely enjoying and celebrating the completion of a new and modern up-to-date railroad station—but because all of this celebration and dedication typifies and further emphasizes the workings of our American democracy.

We are also here today celebrating the fiftieth anniversary of one of the foremost educational institutions in the United States, an institution of which all the people of the State of California are justly proud.

Looking backward, we review the fifty years of development and growth of Palo Alto with the growth of that great institution devoted to higher education and scientific research. When we do this and see the people assembled in enthusiastic pride, in peace and in the democratic way of life, this community of Palo Alto and all the adjoining communities, and representatives of state and local governments elsewhere know that this is a classic example of the success of American democracy. * * * That is the answer to all foreign ideologies for those who cherish the success of American democracy. Here is represented the progress we can and do make through the working of our democratic institutions.

The developments we are dedicating today, these public improvements, required that cooperation, that spirit or sense of civic responsibility on the part of community leaders and of the people as a whole in order to produce them.

When we consider this development at Palo Alto—when we look with pride upon it as being one of the classic examples of American life and community interest and cooperation, we can point to more accomplishments than these modern construction conveniences portray. We can point to that cooperation—that successful cooperation and accomplishment by the people of Palo Alto for the economic welfare of those who are served by its public utilities.

We have here in Palo Alto public ownership and operation of its public utilities, not only of water—but of power and light and gas which are so essential to modern living. And this has been accomplished against heavy odds and at the cost of long struggle to remove obstacles interposed by narrow private interests.

So we can think of these progressive accomplishments of this community on this occasion when we also celebrate all of the rest of these surrounding achievements that we are here dedicating today.

Of course we know that to make such progress requires an everlasting struggle. There is no end to it. But it takes time, tolerance, devotion and sincerity of leadership and social mindedness in order that we may elsewhere in the State see communities accomplish what Palo Alto has accomplished to better serve the needs and welfare of the people by government doing the things which government can do best, and most economically, to advance the general welfare.

Any philosophy of government that stands in the way of that, we know to be essentially reactionary. We know this because we can point to the progress made here at Palo Alto as the complete answer to all who doubt the efficiency and workability of democracy as a basic principle of government.

You are particularly benefited and have reason to be happy here at Palo Alto in the birthday of this great university where the molding of the lives of so many of California citizens and leaders in our social, industrial and economical life has taken place—where is given the inspiration for the high ideals so necessary in these days when democracies everywhere are fighting to defend their very existence. These ideals are weapons and give us the internal strength; our greatest buttress against foes of democracy, whether they attack us by military force, or by propaganda, or through fifth columnists seeking to undermine the confidence of our citizens in our democracy.

We know that we are just as strong internally as the faith of our citizens in our government—just as strong internally as their confidence in the ability, not only for our own citizens to preserve their own democratic institutions, but the ability for our nation to supply world leadership toward a higher and higher civilization.

We can accomplish these things by just such progress as we are here celebrating during the anniversary of your great institutions. Those ideals, implanted and followed through to progressive purposes, on the part of your representatives and officials elected to governmental office, will do most to solidify, to inculcate confidence—to make our democracy so strong and unconquerable, that we will ride the storm of this international chaos that we face. We go forward through experience. Further and further shall we go to make our democratic system work more successfully. We shall make it respond to the actual economic and social needs of the people, in order that we may not only enjoy political democracy, but that we may come to the full enjoyment of the individual liberties provided by our Bill of Rights. We must use our democratic government and processes to serve and adjust our internal economy, to secure a just and equitable distribution of the wealth produced in our country. We shall then go forward with the development of our great natural resources, so that we may have government and communities that are concerned for and devoted faithfully to the social needs, the economic needs, the health and welfare of the people who make up our great cosmopolitan America.

As Governor of this great State, I pay my homage to a predecessor in that office, Governor Stanford, who gave to this community and this State, this university out of a private fund he had created. And my

homage to that grand first president, David Starr Jordan who, with Mrs. Stanford, struggled through the first years of the university to make it a success. My compliments, also, to President Wilbur for this university's very signal success as a great American college, and for the splendid foundation it has to assure future success.

I wish to pay my compliments to the mayor and the city government of Palo Alto for the manner in which they have brought about and organized so successfully this day of celebration we are all met to enjoy.

I want to say to you sincerely that it has been a great treat and a pleasure for me to be here. I have enjoyed so much seeing the modern improvements we have gathered here to celebrate, but even above that I have enjoyed seeing the wonderful community spirit here displayed. It means so much to our American life, so much to our great State of California which I am proud, so proud to be identified with on occasions like this.

I thank you.

ST. PATRICK'S DAY—1941

*Message of greeting at annual luncheon,
March 16, 1941*

*My Fellow Americans**Fellow Men of Good Will Throughout the World*

This is a great meeting. It is truly encouraging, truly inspiring because the men and women who have gathered together here are representative of all creeds and persuasions. Perhaps St. Patrick's Day belongs more especially to the Irish, but every year, all America does honor to the memory of the great patron saint of Ireland. This occasion is doubly auspicious because we are really assembled here in the name and cause of brotherhood among men and peace among nations. We are assembled here to hold aloft the torch of freedom and to celebrate the blessings of liberty. We are assembled here to assert the virtues of love, tolerance and understanding.

Without these virtues, there can be no brotherhood, no peace, no liberty; nor the unity to support them. But with these virtues, we can have them all. With these virtues, we can come to enjoy the peace that attends freedom from class hatred, freedom from prejudice, freedom from bigotry. With these virtues we can all come to "behold how good and how pleasant it is for brethren to dwell together in unity."

The people of California felicitate themselves that men and women can and do gather in such vast numbers for such high purposes. And they congratulate those responsible for and participating in this meeting. As long as men continue to be inspired by the sentiments which here join us all together in the common bonds in brotherhood and understanding, we know that the fires of liberty are unquenched; we know that democracy is invincible in its strength; and we know that there is hope for a new and better world for all mankind.

I am proud to here speak for the people of California, and to extend their warmest and most friendly greetings to all Americans, to our American neighbors to the north and to the south, and to all men of good will throughout a troubled world.

LANGLEY PORTER CLINIC

*Address on occasion of laying of cornerstone at new medical center,
San Francisco, April 5, 1941*

Ladies and Gentlemen

We are here to lay the cornerstone of a building which is important enough just because of its size and cost, but which is of transcendent importance because of what it means to the science of medicine, because of what it means to government, in general, and our State Government in particular, and above all because of what it means to the people.

It is altogether probable that the people of our great land have never experienced such a prolonged or so prolific a debate over what government should or should not do to establish justice, insure domestic tranquility, promote the general welfare and secure the blessings of liberty, as during the past ten years. Much of this public debate has had to do with unemployment and its train of poverty, malnutrition, sickness and general misery. It has been a debate between those, on the one hand, who demand that government take no steps toward a planned economy, that government let things go as they may in the struggle for existence and advantage, let private and public bankruptcies proceed to their logical conclusions, let those survive who can, let economic activities reestablish themselves at whatever new levels time might bring; and those, on the other hand, who, believing that social upheavals and violent revolution are the inevitable result of the do-nothing policies of a laissez-faire society, demand that government do something to rationalize our economy, eliminate poverty, establish economic and social security, and restore and rehabilitate the physically and mentally handicapped members of society.

I draw attention to this because, in the midst of so much debate, it is so great a pleasure to take note of real action on the part of government to actually promote the general welfare.

And this is exactly what we are doing here today; taking note, rejoicing, because government, in this case our State government, is undertaking an expansion of its general welfare activities. As measured by its cost in dollars, this particular expansion may not be so very large, but it is of far more than ordinary significance as a measure of advance in human progress, responsible social thinking and responsible social action.

We gather to celebrate the start of construction and to lay the corner stone of an addition to the State's physical plant for the care of those suffering from brain and nervous disorders, and the mentally deranged. At the same time, it is also an addition to the facilities of our University of California School of Medicine; not only for the teaching of medical students, but also for the broader training of those who now administer our State institutions for the care of the mentally sick. And, over and above all this, it is also to be a center for research into the as yet hidden mysteries of mental diseases, their causes and cures and their relations to other body ailments.

To the general public, and to us assembled here, I am sure that these objectives are wholly praiseworthy; the proper subject of acceptance and approbation by all respectable people. But we have to cast back into history only a very few years in order to realize that this venture, this hospital and the activities which will be carried on in it, are in reality a most important milestone of advance, of true progress, in medical science, in social, legal and economic concept, in social practices, and in society's attitude toward the social sciences, the exact sciences, and the humanities.

As for the humanities aspects, history reminds us that up to the time of the French Revolution, patients afflicted with mental disorders were customarily committed to the prisons, there to be cared for by the prison officers and guards; or else they were committed to the mercy of the poor-law authorities. In some church institutions, they were placed under the supervision of the clergy.

But during the French Revolution, it so happens that one Philippe Pinel, a physician, became interested in the problems of insanity. As a result of his studies, he evolved and advanced the then revolutionary theory that mental disorders were properly the business of the medical sciences and medical doctors. He succeeded in putting an end to the practice, universal until his time, of keeping mental patients in chains. He studied these patients from a medical standpoint and he was the author of the first systematic textbook on mental diseases. His works led to the segregation of the insane, not in prisons or poorhouses, but in special institutions referred to as insane asylums.

In these days when no one any longer questions the philosophy underlying Pinel's reforms, it is difficult to realize that at that time, they were subjected to the bitterest of opposition. It is difficult to realize that even though they were segregated, insane patients received care but little more humane than before Pinel's time.

It has required many years of patient struggle ever since then to change public thinking from the concept of asylums, with mere custodial care, to hospitals, with scientific medical treatment and observation. In fact, the latter have become common in very recent years.

History also discloses that we have achieved great progress in respect of the scientific and research aspects of the venture we here undertake. In the seventeenth century the great physician and scientist Melpighi was the object of innumerable, and to us, absurd attacks because he hoped to discover, by the processes of dissection, experiment, observation and research, the causes and cures of human ailments. One of his contemporaries undertook to prove the futility of his scientific methods and wrote as follows: "Of what use is the knowledge of the structure of the lung and stream of blood through it? Everyone knows that animals breathe, but no one knows why, and it may be said that even in this modern seventeenth century, with all this new knowledge at our command, we are not even quite as successful in curing pneumonia as were the fathers of old.

"Everyone thought, until the work of Wirsung, that the pancreas was just a cushion to support the stomach. What better off are we to know that it is a duct? Above all, of what use to cut up plants and study the hatching of eggs? Can we cure the troubles of women, knowing how the hatching of eggs goes on?"

And such was indeed the attitude of medical men at that time, when the barber surgeon had the techniques and the physician had only the theories. We of today know that those who then so hopelessly delved into the complex material that no one knew what to do with, did perform a great service. We have abandoned their notions which, in their sum, we of today would be inclined to call a sort of "jurisprudence" of medicine. We no longer talk about the divine purposes of the various organs of the human body in an attempt to make it appear to be a logical and rational piece of construction.

To a layman, like myself, it does indeed appear that we have made true progress.

A cornerstone is for the information and edification of those who come this way long after we shall have passed on. So, in a very exact sense, the things we say here are said as much for the benefit of our children's children's children, as for ourselves. Some day, this building shall have served its purposes. It will be torn down, or perhaps destroyed by some catastrophe. And they will pry into the metal box in this cornerstone and read the account of this simple ceremony and the high purposes for which we are about to erect this building. To them we declare our belief that our generation stands at a level of culture and civilization which represents most substantial progress since the sixteenth and seventeenth centuries when capitalism was only emerging out of its feudalistic chrysalis to try its wings in the world of Adam Smith. We hope that, at least partly because of the researches which will be carried forward here, our children's children will be able to be as much impressed with their advances beyond us as we are impressed with the advances that have been made since the days of Melpighi and Pinel.

We hope that they and their nations and governments shall have learned how to live in peace and in harmony. We hope they shall have learned how to distribute rationally the great plenty that we have learned how to produce but not how to divide. We hope that they shall have retained all the physical, mental and spiritual vigor that grow out of the struggle for existence, but, at the same time, we hope that they shall have achieved the full blessings of liberty. We hope they shall have learned that there may be a very real difference between prosperity and security. And we hope that they shall have both.

In what I have said I do not intend to imply that this clinic, when completed, will have materialized out of Nature's pure evolutionary processes. It is built on this spot, and at this time and for the purposes I have mentioned, primarily because of the vision, the demands, the efforts, the persistent efforts of a handful of thoughtful, determined men and women; flesh and blood people whom we know.

We name this hospital the Langley Porter Clinic because Dr. Langley Porter was for many years, ending only a short while ago, the Dean of this great medical school. During these years of service he integrated its parts, perfected its organization, and helped raise it to the high standing it now commands as a seat of learning and of service to mankind.

For a long time Dr. Porter saw the need and advocated the construction of a hospital such as this, in close proximity to the Medical School. His social-minded interest, his determined advocacy served to

promote public recognition of the very practical results that we have every right to expect from the healing services to be rendered, the learning to be gained, and the richly fruitful research to be conducted in this, the Langley Porter Clinic.

To me, the prime mover of the project to build this hospital was Dr. Aaron J. Rosanoff, the State Director of Institutions. Two years ago, after the State budget had been fixed for submission to the Legislature (a budget in the making of which he had no part), he persuaded me to include in it the cost of this project, which I did, although with but little notion that it would receive legislative approval. But thanks to his tireless efforts acquainting the Legislature with the lasting benefits that would accrue to the mentally afflicted, to society in general and to the University School of Medicine; to say nothing of the substantial savings that would accrue to the Department of Institutions, the appropriation was approved. To this audience it is not necessary to recount Dr. Rosanoff's outstanding achievements in the field of applied psychiatry. I have found him possessed of keenest intellect, a sure knowledge of his profession, broad vision and highly social attitude. These, combined with his rare tact, executive ability and sure sense of the needs of his department, account not only for the success with which he has met in his profession and in his work of administering the State Department of Institutions, but also for his success in obtaining the legislative appropriation which made this clinic possible.

To him, and to the members of his able administrative staff, great credit and this publicly expressed thanks are due for making this clinic a reality.

It is proper, at this point, to render praise and to publicly thank the following persons and organizations whose valuable efforts and support were necessary to and became a part of this project:

To Dr. Robert Gordon Sproul, President of the University of California, and the University Regents, for making this ground available to the Department of Institutions. Much of the value of this clinic will lie in the fact that it is made a part of the School of Medicine.

To Dr. Sproul and the Regents, and to the members of the staff and faculty of the School of Medicine, for their enthusiastic acceptance of the clinic as a natural adjunct to and part of the School of Medicine, and for their strong and effective support of the project to build it.

To the members of the State Legislature who voted to appropriate the main portion of its cost.

I must confess a personal pride in the part it has been my good fortune, as Governor of California, to perform in bringing this great and beneficent project to fruition.

It would seem strange, not to say unseemly, if I failed to make mention of the fact that we are launching this undertaking in the midst of a world at war.

Let me observe therefore that this clinic is a place for the pursuit of science, and an example of its application to the most humanitarian of objectives; the saving of human minds and lives, and the improvement of the race. It is peculiarly a project in pursuit of peace. But even so, it certainly provokes thought to realize that if we only knew how to apply, in the field of world politics, what men of science already know about abnormal psychology, particularly paranoia, we would

today be having far less trouble with the dictator complex which possess a few men who, unfortunately for mankind, happen to be in power. This, of course, is a negative statement. The positive, the hopeful statement is this: The proper and effective application in the field of politics and government, of what these men of science already know may well become one of democracy's most powerful and effective instruments, quite the equal of war ships, planes, guns and soldiers.

The present world situation is preparing for scientists the most urgent problems they have ever yet had to tackle. Epidemics of disease, famine, social dislocation and mass frustration are developing in the war countries. They will spread to the rest of the world. And at the very time when most needed to combat these evils, the work of scientists is being disrupted. The prospect of serious impairment, the possibility of the permanent disablement of society by the disruption of science is particularly disquieting. We must persist in our efforts to understand and control the forces of nature. We must do this because it is essential for the survival of civilization. Without science, the world could not support more than a fraction of its present population.

Let us therefore make of this ceremony a prayer; a prayer that in this broad and beautiful land of ours, science shall continue to flourish and that we shall make of it, and keep it, an instrument of peace and democracy. Let us make of this a moment of quiet determination.

I thank you.

COUNCIL AGAINST INTOLERANCE IN AMERICA

Address at San Francisco meeting, Palace Hotel,

April 5, 1941

Ladies and Gentlemen

A few preliminary words of definition may be in order. Tolerance is one of those polar words, so full of traps to the unwary man who tries to describe what is going on around him. I shall illustrate what I mean. The word up has no meaning apart from the word down. The word fast has no meaning apart from the word slow. And in addition, such pairs of words have no meaning even when used together, except when confined to a very particular situation. When Dr. Einstein realized this fact in his study of physics, he proceeded to call it a principle and dubbed it "relativity."

So, likewise, justice and injustice are polar words encountered in the study of social institutions when we get to talking about the organization and objectives of government. The reformer who wants to abolish injustice and build a world about himself in which nothing but justice shall prevail, is like a man who wants to make everything up; nothing down.

The battle between justice and injustice is really quite a struggle. It creates activity. It leads to change. It also leads to wars occasionally. That which we call "progress" is a consequence of this activity but so also is that which we call "reaction," the polar word to progress. Our enthusiasms are aroused by such words and therefore they are often found to be excellent tools with which to push people around. A few years ago both the rebels and the loyalists in Spain were fighting, so they said, for justice. That is what enabled them to kill so many people in such a consecrated way.

Well, tolerance is just such a word; a polar word. It has little meaning apart from its antonym, intolerance.

Tolerance, like the word justice, is a word with which to conjure. We refuse to apply it to people who are struggling for the things which we do not like.

You may not agree with what I say. In fact, you may actually dislike what I have to say. You may dislike me in the bargain. Tolerance is that virtue which enables you to forbear my facts and opinions. It enables society to allow that which may not be wholly approved by all members of society. Tolerance is prerequisite to a recognition of the rights of the private individual to his own opinions and practices.

We speak of tolerance as a virtue. Of course, this is true only in the relative sense. There are times and circumstances when it is even more than a virtue; when it becomes a positive necessity. Again, there are other times when it ceases to be a virtue. In other words it all depends on time, place, circumstances and the direction in which or the object at which the particular tolerance is pointed.

For example, American history discloses that some of our forefathers were quite intolerant of the other fellow's religious beliefs or

his failure to pay his debts; while some others were almost unbelievably, we might say immorally, tolerant. They stood for quite a lot, for a long time, from the English Crown in the way of oppressive taxes and suppressive legislation.

Our history shows numerous instances of intolerance on the part of limited groups. At one time or another we have seen it directed at one or another religious group, at fraternal groups, and at racial groups.

In older countries where most of the people were of one religion or one ethnological group, and where, therefore, the population was homogeneous to a high degree, there was relatively little intolerance evident within the country. Therefore, there was relatively little need for the preaching of tolerance. Intolerance became evident, and strong, only as directed at other countries and other peoples, with whom they probably had had almost no contact and with whom they did not, however, have to live.

But in our country, where from the earliest days, people came to escape one sort or another of suppression and oppression, where, since earliest settlement, people of all races and creeds and shades of belief came in search of freedom; freedom of mind and religion as well as economic freedom; we have found constant and continuing need for tolerance within our own land. We needed it in order that we might live together as neighbors, as good neighbors.

Thus, in America, tolerance has been a very practical and useful virtue. It has given rise to such typical American concept as "live and let live" and "fair play" and "give him a chance." Tolerance, in other words, has become a habit; an inseparable part of our democratic process and our acceptance of majority rule with its provisions for the protection of minorities and their rights.

Today we can truthfully say that the American people, as a whole, are remarkably free from religious intolerances.

We have also become remarkably tolerant of variations from the norm of political belief and behavior. It is only under stress of war that political intolerance occurs. Today we are intolerant of the activities of Communists, not so much because of their economic beliefs but because their activities are directed by the dictator of a foreign country for the purpose of establishing a like dictatorship in America, through power politics and through violence, sabotage, and any other unlawful means. For like reasons, we are also intolerant of Fascist and of Nazi activities in our midst. Because we are a democratic people, we like being a democratic people, and we propose to remain a democratic people. We instinctively fear, dislike, and distrust, and in order to preserve democracy we are of necessity intolerant of doctrines which deny the concept of democracy. We instinctively distrust those who engage in activities to destroy democracy, and its working tools, tolerance and our American civil liberties, in order to replace them with dictatorship, hatred, intolerance, and the suppression of civil liberties by unrestrained brute force, torture and death. I realize that right here we encounter one of the very fine points of logic concerning democracy and tolerance. Just how truly democratic are we if we are not democratic enough to permit the propagation of antidemocratic doctrines and acts? My answer is that if we want to retain democracy,

we can ill afford to be tolerant of doctrines which deny democracy and practices which would deprive us of both democracy and tolerance.

In other words, I conceive tolerance to be a virtue and a positive necessity to the democratic way of life when it is tolerance of religious differences, when it is tolerance of racial or ethnological differences, and when it is tolerance of the very, very broad differences of political, social and economic opinion which we know to be possible within and perfectly consistent with the principles and practice of democracy.

And this, I take it, is really the sort of tolerance we are here to extol and promote. Tolerance as between individuals and groups of persons within our own national, State and local communities.

I shall not go into the subject of tolerance as between nations because there would be no end to the subject; no place to stop. I shall observe only that Britain's rulers, prior to September 1939, exercised a tolerance of Hitler and his doctrines and activities that certainly ceased to be a virtue. Tolerance became appeasement, an absolute vice out of which, should Hitler now win, may come slavery, cruelty, and oppression, and a literature of sorrow. I express the hope that we shall never misapply tolerance in any such manner or carry it to any such length.

But as for tolerance between and among individuals and groups within our own country; as for religious, racial, political, social and economic tolerance within our own borders, it seems to me that it is most timely that we undertake to extol and promote it.

As I have said, we are a democratic people. We have a democratic government which has as its standards, and undertakes to guarantee to its citizens, certain rights, which stem from man's quest for freedom, from his instinct for brotherhood, and from his love for the democratic principles of government so firmly and so securely established by our colonial forebearers.

We live in what historians may some day describe as one of the most fearful, one of the most awful periods in man's history. The black clouds of war envelope the eastern world, and now cast their dark shadows across our own country.

If we prove unable to protect ourselves, against the ravages of this war, the destruction of our government, and the loss of our American liberties may follow. We do know that this we are determined to prevent.

The battle for democracy must be carried to every front; the military front and the home front. Defense of democracy will have many component parts; some objective and some subjective. The objective components will consist of the things we can see and the things we can make and do with our hands and bodies; that is, ships and planes and guns and tanks and ammunition and all of the thousands of things and materials requisite to outfit our fighting forces. They will consist of training the men who will be these forces and the men and women who back them up on the farms and in the factories and in the transport industries. These are comparatively easy to organize.

The subjective components of defense are a much more difficult matter. They are of the mind. Nevertheless, they are just as necessary as the material and objective components.

In a democracy, we must first have the determination to defend and this requires unity of purpose. This does not mean that we must have agreement on all matters of religion and race and politics and social concepts and the like. But it does require tolerance, of each by the other. And for tolerance we need knowledge. And for knowledge we need education.

We look to educated men for military genius and leadership, to organize the production and assembly of materials and the training of men to use them.

We look to educated men for knowledge of the ills which beset society; for the genius, the determination and the courage to apply their knowledge.

We look to educated men to proclaim, again and again, to state and restate the principles of democracy for which, we now realize, men have struggled in all ages. Democracy, which permits man to express his highest hopes, and work out and achieve his highest aspirations.

We look to educated men to organize and apply the full strength of our National Government which is the instrument of American democracy.

Here, then, we find today's full reason, today's complete justification for the great wealth and the years of labor the American people have poured into their educational system; to make it comprehensive; to make it universal and effective. We have found that it pays.

In education we find knowledge; knowledge of our own problems; knowledge of the other fellow's problems. Knowledge is attended by tolerance. Tolerance is the indispensable ingredient of unity. And in unity is the strength out of which democracy shall survive and flourish. And it is out of democracy that we shall secure the blessings of liberty to ourselves and to our posterity.

Education for tolerance must be a part of our program for national and home defense.

Yes, indeed.

I thank you.

THE AMERICAN LEGION

*Address before Annual Convention of the Department of California,
Sacramento, August 12, 1941*

*Commander Farrell, Members of the American Legion
and Fellow Americans*

During the march of time, since I had the honor of addressing the annual convention of the California Department of the American Legion at San Diego a year ago, we have witnessed fast moving events and developments in the present world war. We have also witnessed, with reasonable satisfaction, the program of the preparation of our country for its defense and for war if destiny determines that necessity, for the protection of all that American life and American freedom means. We have also witnessed precautionary steps taken by our National Government in building defense bases in our outposts in the Atlantic and in the Pacific, and we have witnessed America's determined policy of furnishing all possible aid in war materials and supplies to England and other countries fighting to prevent their domination and the domination of the world by the ruthless war machines of the world's and of civilization's worst outlaws, known as the Axis Powers.

In my speech to your convention at San Diego last year I stated, "By law, confirmed by long usage, in America we delegate the framing of policy to the Congress and to the Chief Executive of the Nation. While this policy is in course of framing, it is proper, it is right, in fact, it is vitally necessary, that every point be debated fully and that every variety and conflict of viewpoint and belief be expressed in order that our policy shall be a strong and effective synthesis of the forces which make for national unity. But once that policy has been determined, then all citizens must subdue their differences and bend their energies to the execution of the National Defense Program built upon the policy thus determined."

It is unfortunate, however, that there are those, even occupying offices of great honor, distinction and influence; Senators and members of Congress, representing minorities, are found not only failing to subdue their differences and bend their energies to the execution of the National Defense Program built upon policies determined by the Congress and the President, but stubbornly continuing those differences, often with an unbecoming bitterness, which only serves to magnify in the minds and propaganda of those agents of war and hate, the totalitarian dictators, a phase of disunity in our nation. Criticisms of the President in carrying out foreign policies approved by Congress after thorough public debate, only serve to promote a disunity of minorities. In the discharge of his grave responsibilities as Chief Executive to take every precautionary step deemed necessary or advisable for our defense, the President, whose anxiety to avoid our entering this world war is as keen and sincere as is that of the mother of any boy who may be called into our military service, should not be ham-

pered, and his position should not be weakened by a character of criticism or other manifestation implying substantial disunity in America.

The United States of America is not going into this war unless the people of the United States determine that we should do so as an inevitable necessity to the preservation of all we hold dear and in the discharge of our responsibilities to the rest of mankind. No President or Government of the United States of America has ever taken this Nation into any war except in response to the overwhelming sentiment of the American citizens, and I think it can be safely said that no step has so far been taken by our President or the Congress of the United States toward military and naval preparedness, or to head off and keep as far from our shores as possible the advancing forces of Nazism and Fascism, which has not been in accordance with the overwhelming sentiment of the people of the United States. It is gratifying to note that the great majority in both houses of the Congress and the President are in harmony regarding every step so far taken as a measure of defense and in aid of the battling Democracies struggling for their lives in the rest of the world.

But only a few days ago, Hitler and his Axis Powers were given comfort and encouragement to believe that American unity and support of our government does not exist, by a statement issued by certain partisan leaders and political opponents of the President, saying that recent events raise doubts that this war is a clear cut issue of liberty and democracy; that because Russia is being attacked by the forces of Hitler, and because of the Anglo-Russian alliance in fighting those forces, this world war is not purely a conflict between tyranny and freedom. They state that "the representatives of the people in passing the lease-lend bill, expressed the national conviction that preservation of the British Empire and China is desirable for us and for civilization," but elsewhere they say "freedom in America does not depend on the outcome of struggles for material power between other nations," and they severely criticize the President for his acts in carrying out the policy and purpose of the lend-lease act. Yet it may well be very seriously doubted whether, if either of the partisan leaders, opponents of the present national administration, were now President of the United States, he would not be following public sentiment and the same wise course that the President is following for America's protection against the forces of hate, brutality, and destruction of Christian civilization. This is not the first time that strong partisanship has stood in the way of national unity of purpose for the accomplishment of world peace and the preservation of democracy and democratic ideals in this world. In that cause we entered the first world war, to the end that we would, upon its close, take the leadership of the world in the establishment of a League of Nations to enforce peaceful settlements of international disputes, to regard the economic necessities of the peoples of the various countries of the world, and the adjustments needed for their well-being, to establish a world court of international justice, and thus respond to the hope of mankind for a world order in which the horrors of war could find no place. But that end was not fulfilled. Bitter political opponents of President Wilson, like present day bitter political opponents of President Franklin D. Roosevelt, and

bitter-end isolationists in our own country prevented this achievement. No one is wise enough to say with absolute assurance, but there is good reason to assert, that had the League of Nations, advocated by President Wilson, been established with the whole-hearted participation therein by the United States, this second world war would not be upon us. We would not now be facing the possible necessity of entering another war, this time to protect the western hemisphere and its peoples' freedom against domination by the world's international outlaws. That timely protection which President Roosevelt and the Congress are endeavoring to afford by giving every possible aid to all nations fighting the advancing war machine of Hitler should not be sabotaged by the carping criticisms of political partisans.

We are faced not only with the question of going just as far as may be deemed necessary to assure the freedom of the western hemisphere from invasion in any form, but also, as the greatest nation on earth, with our responsibility to mankind in the midst of this world chaos. Will either our safety be assured or our responsibility to future generations be discharged by attempting to isolate ourselves from all the implications of the constant advance of the cruel forces of lawlessness and hate in their purpose to dominate the world? During that advance, can we righteously give aid and moral support to the brutalities of the totalitarian dictators by remaining neutral? Should we not consider our responsibilities to civilization as well as our own safety? Indeed, it is a question of whether these considerations can be separated, even from the purely selfish standpoint of our own security. We can not isolate ourselves from the rest of the world, because we are a part of it.

Until the brigands now at large, dominating, murdering and enslaving the peoples of Europe, and threatening to dominate the rest of the world by force of arms, are forcibly suppressed, all will agree, including our isolationist-minded leaders, that we must continue with the militarization of America in anticipation of ultimate and continuous war, defending against their advancements in the western hemisphere. It seems to me the isolationists are somewhat inconsistent on this question. While agreeing with the expenditure of billions upon billions for our national defense, they say we need have no fear of the Axis Powers; that they would not attempt an invasion of this hemisphere; we are too far removed from the present scene of war and too far separated by seas to make it practical for those powers or any of them to endanger our security here. If that conclusion is sound, why is all this preparedness against such danger? It must be because all realize that we do face that danger.

We are supporting England in her fight to the utmost extent without actually entering into the war as a combatant, because there is no thinking person in America who does not believe that if England, and now Russia, are able to withstand the attacks of the forces of Hitler and finally defeat them, our safety will be assured. We can then be relieved of the burden of great military preparedness and look to the reestablishment of peace. But if Russia is defeated and England falls, which is not at all unlikely, then we will be in for an interminable period, during which the Americas will be on the defensive, ultimately forced into war for the protection of the western

hemisphere against invasion, and for the preservation of American life and institutions, carrying the burden of huge military forces, and fighting alone the military forces of the Axis Powers then in control of the rest of the world.

Contrary to propaganda which the Nazis and Fascists would like to have the American people believe, we have no such thing as war mongers at the helm of the Government of the United States or in any of its departments charged with the responsibility of keeping close watch on every development and taking such steps for our protection as their direct and, to a large extent secret, information compels. They are in a position better than those of us who do not have that responsibility, to know what strategic steps are necessary, what outposts must be supplied with means of defense, what steps become necessary in the war's developments to carry out America's declared purpose to give every possible aid in the way of war materials and other supplies to the nations now fighting the Axis Powers. Bitter and acrimonious speeches by men in public life, and like manifestations of opposition to every precautionary step taken as a means of preparedness and readiness to defend against the approach of Nazism, can only give encouragement to Nazism's further advance, and is spread among the people of Germany, Italy and Japan to help their dictators bolster their morale and the morale of their fighting forces. They are thus led to believe that the American people are divided in their opposition to a world order of human enslavement which these dictators propose to establish. It gives aid, comfort and encouragement to such fifth columnists as may be working in our midst. Therefore, let us work for national unity. Let us strengthen, not weaken, the hand of the President, in whom the people have placed their confidence. Let us strengthen the courage and will of all peoples fighting against attacks and despairing of relief from their enslavement by the forces of Nazism, hate and brutality. Let us aid in solidifying the unity of the American people and all the Republics of this hemisphere for its common defense and shorten the period during which the world is to be terrorized by the world's worst enemies.

Let us also profit by the lessons we learn through national unity for our common defense. When peace is restored, and we face the economic and social problems remaining to be solved in order to provide for the material well-being and social advancement of the masses of the people, let us continue that unity for the purpose of establishing an order of economy and social justice, which is impossible of achievement with disunity and under a philosophy of government based upon rewards for individual selfishness and greed instead of service to society.

I am pleased to be able to report to you that our State Council of Defense, provided for by an act of the Legislature, is functioning in accordance with organization plans adopted when I first appointed a State Council of Defense more than a year ago, and in accordance with all directions received from the National Defense Advisory Council and the National Civilian Defense Authority. Our State Guard is being recruited rapidly and trained for all civil protection, and it will not be long until it will have an adequate personnel and be in condition to meet all of the requirements of our home defense program and serve all of the purposes of the National Guard, during its participation as a

part of the Federal forces. The various committees of our State Council are being organized with the volunteer services of those most competent and experienced in the particular lines of activities involved in civil defense work, whether it be in the field of education, health, natural resources, labor resources and skills, or in the performance of other functions for which preparation is required in a complete program of home and civil defense. I appreciate the sincere interest and thorough cooperation of the members of the Legion in this work. Your President is a member of our Council, your members are on various committees of the Council and constitute a large part of our State Guard.

It is not alone in connection with the organization and work of our State Council of Defense that I have found agreeable cooperation from this organization and its members in the performance of my duties as Governor. Your membership has a direct interest in the work of the Veterans Welfare Board, in the Yountville Home and in the revenues supporting it, in adult education, in finding employment for veterans, and in providing aid for the helpless and general relief from hardship caused by unemployment.

You have received the report of Chairman Boicelli of the Veterans Welfare Board of the accomplishments during the past year of measures, policies and administrative work of our State agencies which directly affect the welfare of members of this organization. As to the administrative work of the Veterans Welfare Board under Chairman Boicelli in safeguarding its investment of more than eighty million dollars of funds, the economies achieved through reductions in administrative and operating costs of more than eighty-two thousand dollars a year, and the assurance given that the financial condition of the Veterans Welfare Fund is stronger than at any previous time, I am sure is gratifying to this organization. The credit this report incidentally gives me for favoring and approving legislation, aiding the educational needs of the children of the veterans in our public schools, in providing in the Governor's budget four hundred and thirty-five thousand dollars for the immediate construction of a new mess hall at Yountville Home, and providing for the immediate construction of Rector Canyon Dam, at a cost of nearly fourteen million dollars, assuring an adequate and permanent water supply for that home, is, of course, very gratifying to me. But there are other measures of a general nature, such as provisions for fire protection and conservation of our natural resources, in the provisions for which I have had the aid and support of this organization, and for which I wish to express my gratitude.

With a continuance of such cooperation, with a deep sense of our responsibility as citizens, as State officials, and as civic and patriotic organizations, in the orderly development of our resources, the fair and just consideration of the economic needs of our institutions, the accomplishment of just labor relations, the peaceful and orderly settlement of industrial disputes with due regard to the rights of the workers, the opening of avenues for employment to veterans and all other workers, meeting the relief and health requirements of the underprivileged, extension of adult education and vocational training, economical distribution of our public utility services, bringing to the

people our natural gas and electric power utilities at the lowest possible cost through the elimination of unnecessary profiteering agencies, as well as in the performance of our duties in connection with State and National defense, we shall continue to further the progress of our great State and serve the general welfare of its people.

THE STATE FAIR

Address over California Radio System,

August 28, 1941

My Fellow Citizens

Since 1854 California has held an annual State Fair, marking the continuous development of California's natural resources and its agricultural, industrial, educational, and cultural growth. From its small beginning eighty-seven years ago, our State Fair has grown until it is now recognized as the greatest, the largest State Fair in the world. One fundamental reason for this is that California is foremost among all States of the Union in the value of its varied agricultural products. These annual State Fairs have become a true index to the progress of our State in all productive and cultural activities.

Each year's growth in the scope and extent of the State Fair's exhibits and its entertainment features is attended by increasing thousands of visitors. It is anticipated that the total number of visitors to the Fair this year will be approximately one million people, for whom adequate facilities are provided to accommodate.

I speak to you tonight about the holding of this Fair, and as Governor to extend to all listeners and to all people of the State not only the invitation but the cordial request of my office and of the California Agricultural Association—the Fair Board—that all who can possibly do so, attend this year's Fair. In doing so you will find satisfaction and reward in acquiring useful information about your State and will find entertainment affording a relaxation from the tension under which all citizens are now placed by the present war crisis. You will see exhibits of the resources and wealth of California's several counties, of 228 economic crops, ranging from subtropical fruits and vegetables to the hardy varieties of northern California climes. You will see displayed modern methods and the mechanical progress achieved in California industries. Works of the industrial and the fine arts, and the progress of our great educational institutions will be shown; also demonstrations of scientific achievements in our institutions and colleges.

Comparable only to the comprehensive display of the high grade products of agriculture, is the great live stock exhibit, featuring an industry producing an annual income to California growers of two hundred and sixteen million dollars. The extension of the best breeds of live stock and the growth of this huge industry of California can only be realized by witnessing that exhibit. One of the special features of the live stock exhibit is presented on Governor's Day, September 4th, when the colorful live stock parade is held, at which champions and prize winners in the contest for awards is witnessed from the grandstand. Notwithstanding the high market prices for choice cattle, due to war conditions, California's breeders are keeping their herds intact for foundation work, and the contacts and sales made as a result of the exhibits of the Fair are the background for the steady improvement of California herds.

The horse show is a nightly feature during the ten days of the Fair. It has become so well known that this year exhibitors from many eastern states will vie for honors with our own California bred stock. Colorful stock horses, great draft horses, representing power on the farm and in the six-in-hand combination, will be driven in colorful competition. The Fair offers by far the largest show of horses in the entire west.

California's poultry industry has in recent years made such progress that it now ranks highest of any of the states west of the Mississippi. Substantial State aid has been furnished in the development of breeding background for the production of the best grade of poultry stock. The poultry exhibit will show this splendid progress and command the interest of all poultry growers.

Representing 25,000 California boys and girls, the two great farm youth organizations, the Future Farmers and the 4-H Clubs, will exhibit their productive achievements as rivals of senior farmers and live stock raisers. In a group of buildings, completed last year at a cost of one-half million dollars, these exhibits of our California youth on the farm will be displayed. The growth of these youth organizations for training and practice in modern methods of agricultural and live stock production, is one of the proud achievements in the State, promoted by the Fair.

The machinery exhibit at the Fair is naturally one of its principal features. Housed in a beautiful pavilion is the display of modern farm machinery, road building equipment, and up-to-date mechanized equipment in industry. This display is of special interest and also of special significance this year, when implement manufacturers are, to a large extent, engaged in construction of materials for national defense. An interesting section in connection with this exhibit is the school for farm boys, girls and women in tractor driving and dual training for both farm and defense purposes.

In the educational building will be found 10,000 exhibits taken from work done in the school rooms of our elementary schools, high schools and junior colleges. There will be found also the vocational arts exhibits.

The State Fair art gallery will contain selected water colors and oil paintings of living California artists, carefully selected by expert critics. Of added interest in this gallery will be the salon of pictorial photography.

Progress in floriculture as an industry and as a hobby will be beautifully displayed in the new Hall of Flowers. This building and its exhibits should be seen not only because of the beauty of its features, but for a realization that floriculture is now a profitable business industry in California. The flowers will feature over five hundred thousand individual blossoms, blended into a bower of beauty. Not only the professional nurserymen, but amateur growers find the opportunity there to display their best productions.

All are familiar with the fact that one of the features of the Fair are the races of California bred horses. Not only do the races furnish one of the outstanding features of entertainment, but the management assures me that this year the entertainment attractions of the Fair will

be more extensive, more varied, and more elaborate than at any time in its history.

It is not any small job to prepare for and manage this great Fair. As you know, that is the work of the Board of Directors of the California Agricultural Association, who give their time, talents and services to its success. They serve without pay. They now consist of a group of thirteen men and one woman, representing various sections of the State and its various industries. I take this occasion, on behalf of the people of the State, to compliment this Board of Directors and to thank them for the splendid services they are performing in carrying forward our annual State Fair to its great achievements.

It is the policy of the Board to make it possible for visitors to see this exposition at a minimum of expense and to provide suitable facilities for their accommodation and comfort. A nursery has been provided in the Woman's Building to aid mothers with their small children. Trained attendants will be on duty, and a playground has been furnished for older children under the care and supervision of trained personnel. A Red Cross emergency hospital has been established to aid and care for anyone in distress, in connection with which Red Cross nurses will conduct a display, featuring their services to our State and Nation.

The Woman's Building has been redecorated and improved, with lounging space. I can not compliment the women too highly for the splendid work they have done in assisting in the establishment of these facilities at the Fair. This year women will be honored by a special day, Friday, September 5th, and preparations are under way to serve thousands of women at tea in the new Garden of the Moon section in the Hall of Flowers.

We should derive unusual satisfaction from the State Fair this year, because it will demonstrate our strength to perform California's part in the present national emergency. I do not like to refer to the unhappy theme of war, but we all know that our national safety, the liberties we enjoy here in America, enabling us to dwell in peace and devote our lives as a democratic nation to the development of our national resources and the distribution of their benefits for the common welfare of all, to gather at a State Fair as a community of free citizens, to celebrate and observe our progress, is all threatened by the implications of the present world war. At our State Fair will be visualized the evidence of California's vast resources, our ability to produce the materials necessary to sustain every effort we are called upon to make for our common defense. Therefore, this exhibition will serve as an inspiration for our unity in meeting every national emergency. The Fair will impress us with the fact that we are the strongest Nation and the most favored people on earth, and at the same time, give us renewed assurance that if we are compelled to go to war to safeguard all that we have and all that we hope for as a free people, we have the means to do so and to assist other democracies now fighting for their lives.

Our State Fair is dedicated to peace, but also, for national defense. It is the symbol of peace in a war torn world, and of California's hospitality. It is your Fair. I hope you can and will attend.

I thank you and bid you good night.

LABOR DAY—1941

Address given at Pasadena, September 1, 1941

Throughout a fairly long public life I have made many Labor Day addresses, but never at a time so full of promise for organized labor but at the same time so fraught with danger.

The paradox in this statement is quickly apparent but it is nevertheless a true statement of the conflicts inherent in the present situation.

On the one hand, up to now, there never has been a time in America when organized labor was so strong. Its numbers have increased at a rate that would have been unbelievable, because impossible, only a few years ago.

Many factors have contributed to this growth and to the rise in influence, prestige and respectability which has attended it. The main factor, the factor giving force and vigor to this rise, has been the factor of need, or necessity. For many years our economic system, if we may call it that, failed to meet the needs for employment. The business institutions, principally corporations responsive only to the profit stimulus, seemed unable to collectively serve social welfare, to provide full employment, to produce a flow of goods and services equalling the need of the American people, to pay American workers the wages needed to buy those goods and services. They seemed unable to cope with, much less overcome, the disintegrative forces contained within that system. They seemed unable to preserve the system of so-called free enterprise until the confidence of the people in that American way was severely shaken.

Whatever the causes, the results were depression, disemployment and a period of hunger, uncertainty and frustration such as our country had never before experienced.

Following natural law, new institutions and organizations inevitably had to flow in to fill the social vacuum thus created.

These new institutions were of two types; governmental and private. Both were natural responses to need.

The new governmental action flowered in such forms as WPA, PWA, Farm Security Administration, the Tennessee Valley Authority, financial assistance to needy aged persons, social security, unemployment insurance and that great modern Magna Charta, the National Labor Relations Act.

The most important, and certainly the most substantial, of the new private institutions was seen in the new rise of the labor movement. And this, also, was a natural response to conditions which had become intolerable.

To say that the recent rise of the labor movement was made possible by the passing of the Labor Relations Act is not only untrue but it is beside the point. It is true that the Labor Act did serve to facilitate labor organization. But it was a result, not the cause of the rapid rise of the American labor movement. In fact, the rapid growth of organized labor and the Labor Relations Act itself were both results of the same destructive forces I have already mentioned.

It is true that but for the Labor Act organized labor's growth in recent years would have been much more painful, and labor's gains in the field of collective bargaining would have been much more difficult. The process would undoubtedly have been attended by many more strikes and much more violence. But, collective bargaining and labor's growth would have come, just the same, without the Labor Relations Act, which, at best, has only provided the machinery for rationalism and peaceful adjustments in industrial relations. The proof of this observation lies in the bitter criticism of the Labor Relations Act itself and in the sharp legal struggles which have attended its early enforcement. It could never have been enforced but for the great strength and capacity for growth latent in the organized labor movement itself.

These new reforms, movements, institutions and organizations have been the subject of much intemperate and even violent criticism emanating from those who were thus denied greatly abused powers and privileges. Foremost among critics and prophets of doom anent the growth of the labor movement has been Mr. Pegler, whose mission in life seems to be to make it appear that racketeering is a chief characteristic of the organized labor.

There has indeed been racketeering, low and despicable conduct upon the part of isolated labor leaders and groups of leaders. Without question such men have done great injury to the labor movement. Their discovery, however humiliating to the honest union man, is a good thing, and the process of removing them, however painful and embarrassing, is recognized. But their removal by labors' honest leaderships and its ranks as an immediate duty to the cause of labor has the assistance of anyone, even the bitterest enemy of organized labor, in exposing a racketeer, a crook, a betrayer, a traitor to the cause of labor which he pretends to serve, should be invited and welcomed.

But racketeering is not a characteristic of the organized labor movement and no true honest union man or friend of labor consents to its being made to appear so. Its presence is deplorable, intolerable. Racketeers must be routed out and speedily expelled from the ranks of labor when discovered. But this exhortation is not applicable alone to organized labor. It applies far more widely to numerous organizations, corporations and financial institutions seeking profits in the business world. Mr. Pegler and the public generally should be reminded that racketeers were not first discovered in the officialdom of organized labor. Nor are they so often found there as in other activities in the complex life of America. An attempt to cover the cases of even the stock market and stock jobbing racketeers and financial agents who have been sent to our penitentiaries would be an impossible task for any columnist. A crook is a crook in whatever institution he is found but his presence when found does not necessarily condemn the institution.

The institution of reforms and the rise of new organizations, both good and bad, have always been attended by such symptoms. They are the natural, inescapable consequences of growing up. As illustration of what I mean I need only remind that the rise of the 200 largest corporations took place at the expense of enormous confusion, at the cost of the business lives of thousands of individual business men and

small corporations, violations of the antitrust laws, and unfair trade practice acts violations of laws enacted for the protection of labor.

Just as long as there is social injustice there shall also be change and reform and new institutions; and there shall also be those who fear those changes and who cry out their fears and criticisms.

Organized labor can not escape this fact. Organized labor does not expect to. In fact, you would not be strong today but for the struggles of the past, the obstacles you have overcome. In this sense, the opponents of organized labor have served a good purpose, however unfair their tactics, however lacking they may have been in survival intelligence. The essential point is that organized labor has overcome opposition and has emerged strong, able to attract, able to organize and hold followers by the millions; able to inspire the further growth and the maintenance of integrity in the labor movement.

Here, then, we find the key to organized labor's future; a future rich with promise; the promise of power, dignity and place in the councils of the Nation, comforting with its numbers, its contribution to the general welfare and the National safety, its responsibility to the vast majority of the adult population of the Nation, the men and women who work for wages.

But I have also stated that this is a time fraught with danger to organized labor. I refer to the grave threat of dictatorship and totalitarianism to the safety of our Government, our people and our democratic principles and institutions, including labor.

I scarcely need remind you that Hitler and Mussolini have done away with all labor unions, not only in their own countries but in the conquered lands. It is no longer news that they have reduced even their own people to virtual slavery. It is news, but scarcely surprising, that Hitler has put two and one-half million war prisoners at forced labor; that all able-bodied Dutch men and women between 18 and 25 must render him six months a year of free labor; that he exacts labor service of all able-bodied inhabitants of Moravia and Bohemia, except Germans, between the ages of 18 and 50; that he has imported into Germany, for forced labor service three million workers from the conquered lands, including Italy (these being in addition to prisoners of war).

The value of war prisoners and of press-gang laborers to Hitler is far greater than their valuable services, rendered free of charge, or nearly so. They are hostages; hostages to be held until the conclusion of peace. In his hands, they are a terrible weapon, held over the civilian population of conquered territories. Hitler holds a hostage from practically every family in France.

To me, it follows that if Hitler conquers, or if the Nazi ideology spreads and prevails, the effect upon wage workers and labor unionism will be utterly disastrous. It means that organized labor has double reason for defeating Hitler.

First, because American workers want to remain American in all of the fullest and highest meaning of the word.

Second, because American workers want organized labor to live and flourish; because you know organized labor can never fulfill its dreams or those of its members in a Hitler world.

Therefore, I only urge that which your own self-interest compels, that all men and women who work, all of organized labor and upon all labor leaders, join wholeheartedly and patriotically in support of the leadership and policy of our own National Government, the Government of the United States of America, to prepare our own defenses, to help the powers now engaging Hitler, and, to take every step needed to assure our national security with firmness, determination and preparedness.

Every thoughtful American hopes war for America can be avoided. But I believe every true American prefers war to the loss of liberty. If the job has to be done, American workers will do it.

We also know, only too well, that after the defeat of Hitlerism the tasks of warding off the advance of other strange or unacceptable ideologies, the tasks of establishing a more nearly rational way of life here at home; the tasks of establishing freedom with order, will also be labor's task.

These will be the tasks of all groups in our complex society, but it seems to me that they are peculiarly the tasks of organized labor; that Labor should, and can, and will make signal contribution.

I said "freedom with order." We must have both, because neither one alone can bring happiness to a people. Freedom, without order, is anarchy, with confusion and utter chaos. Order, without freedom, is despotism; in the world of today, dictatorship, with totalitarianism and slavery. But freedom with order is the very definition of democracy; democracy which shall be social and economic as well as political.

The hard jobs of the world always have fallen upon Labor. This, too, is Labor's job; the building of freedom with order; the maintenance of American democracy and making it serve the economic and social needs of the American people.

I thank you.

RADIO ROUND TABLE OF GOVERNORS

Remarks on Nation-wide broadcast over Columbia Broadcasting System, September 13, 1941. Also participating were Governor Lehman of New York, representing the East; Governor Dixon of Alabama, representing the South; and Governor Stassen of Minnesota, representing the Mid-West

Governors Lehman, Dixon and Stassen, and Fellow Americans

As Governor of the furthest western State with a coast line of a thousand miles along the Pacific, I join with enthusiasm in this broadcast emphasizing the unity of the States in support of the foreign policy of the President of the United States in the present world crisis.

I am happy to be able to announce to the world that California is solidly united with the rest of the States in sustaining every step taken by the President and the Congress for the defense of the Americas and for furnishing aid to the British Commonwealth, to Russia and to China in their fight to stop the aggression of the Axis Powers.

The overwhelming sentiment of the people of this great State deplores the defeatism—the appeasement attitude taken by some of our so-called isolationists toward the criminal aggressions of Hitlerism for world domination and human enslavement. Such appeasement policies which proved suicidal for other countries whose people are now enslaved by the armed forces of Hitler and which, while it lasted, was almost suicidal for England, does not find favorable response in California. More and more are our people being awakened to the necessity of complete national unity—Nazi propaganda is despised.

Any dissidence which affords it aid and comfort is regarded injurious to our preparedness program for the security of the Americas. Such manifestations of dissidence is regarded as more likely to involve us in a shooting war, than may reasonably be expected from complete national unity behind the President's forthright stand and warning to Hitler that any interference within American rights or danger to American ships will be promptly met with the only argument Hitlerism understands.

California is producing a large and important part of their instrumentalities of national defense and materials of war for the fighting against the Axis Powers in Europe and Asia, and all her industries are being geared with unity of purpose to the National Defense Program. Our proximity to America's outposts in the Pacific and our natural sympathy for the people of China in their handicapped struggle against the aggressions of Japan cause the developments in the Orient and the would-be advances of Japanese aggressions in the Pacific to be keenly followed here.

We have welcomed the firm stand now taken by our national administration in stopping the shipments of oil and other materials for warfare to Japan and our all possible aid to China. This we believe will serve to stop the contemplated aggressions of Japan threatening a war in the Pacific.

California is also the center of the moving picture industry and we are glad to know that if any of their productions can be interpreted by any critics as propaganda it is not Nazi propaganda but responds to the true sentiment of the American people for national unity in our national defense effort against the encroachment of Nazism.

Our agricultural and manufacturing industries are coordinating their activities to meet the directions of the Office of Production Management in striving to reach the maximum production of which California with its vast resources are capable.

Our labor conditions are being improved until strikes are now few and far between—with no question arising as to the loyalty of labor.

Our State Council for Civilian Defense is functioning in accordance with directions of the National Civil Defense and hourly, under it, our local Defense Councils are being organized in every locality for complete preparedness for home and civil defense.

In other words, California intends to be ready for any emergency which the natural destiny and the natural world leadership of this, the greatest Nation in the world, may lead us.

INDUSTRIAL ORGANIZATION FOR DEFENSE

*Address at luncheon conference held at Sacramento, October 6, 1941, for the
purpose of organizing California's industrial plants
for defense production*

*Distinguished Guests, Ladies and Gentlemen, Manufacturers,
Farmers, Workers of California*

In the language of the President of the United States, our Nation is to be the arsenal of democracy in the present struggle for freedom from aggressions and world domination by the Nazi and Fascist Axis Powers. In addition to providing for naval and military protection against the invasion of America and American rights on the high seas, the President and the Congress, through the passage of the Lease-Lend Act (adopted as an expression of the will of the American people), have dedicated the resources of the United States—manpower, material and productive capacity—to the cause of aiding the nations of the world now resisting these forces of aggression. This settled policy of our Government places upon every citizen the obligation to make his maximum contribution to this great national effort as a worker, as an employer of labor, as the owner or manager of productive facilities, or as a citizen, a consumer and a taxpayer. This critical hour in the history of our Nation calls for more than just additional effort, and it requires that every industry, every corporation, every citizen shall loyally, patriotically, cooperatively and unselfishly do its and his utmost to accomplish speedy all-out, maximum production. It definitely and distinctly means that anyone actuated by a purpose to grab all the profits out of this war economy that he can lay his hands upon, regardless of the rights and needs of others or the creation of bottlenecks in the stream of production, can not be considered a loyal American.

Only a few short months ago the Government and the people of the United States called upon industry and labor to produce at an unprecedented rate the instruments of war. It is not an easy task within the space of a few months to convert an industrial peace-time economy to an integrated industrial structure turning out materials of war. There have been difficulties of many kinds, dislocations which have not been easy to adjust, but on the whole the record shows that American industry and American labor have responded magnificently to this demand. In a sense, the first phase of this industrial effort is over and we have succeeded in gearing a large part of our industrial machine to defense production. Now we are entering what might be considered the second phase of this industrial conversion.

It is natural that when the procurement officers of the armed forces and the Office of Production Management were obliged to enter the industrial market and place contracts for huge orders of war materials, they turned to the great industrial establishments which could more easily expand plant capacity and redirect their productive effort to these new demands. The effect of this natural, logical step has been to concentrate in the hands of relatively few large industrial organiza-

tions the great bulk of defense contracts. During the stress of these first months, because no man could measure how rapidly the demand for production would increase, very few people foresaw the consequences which would flow from this concentration of defense contracts.

If we had an adequate supply of materials to meet the demands both of the defense effort and increasing pressure for consumer goods, the consequences of this policy would have been less severe. We have learned, however, that the needs of defense can be met only by sacrificing all but the essential requirements of our civilian population. And we have learned that the life of thousands of our peace-time industries, deprived of their normal activities for defense purposes, can only be saved by their participation in the production of defense materials. We have also learned that the time element and preservation of our Democracy require spreading of the production of materials and instrumentalities of defense so as to employ all usable plant capacities, large and small; that subcontracting and prime contracting must be extended in every possible direction. While consumer demands must take second place to the requirements of the emergency, we hope and believe this policy can and will be administered in such a way as to continue to make available to the consuming population all essential needs not inconsistent with the national defense and at prices fair and honest to producer and consumer, controlled against profiteering and inflation.

And speaking of prices, I take the position that costs to the government of defense materials should be held to the minimum; that no producer, no contractor should be required to produce at a loss, but no worker should be required to accept inadequate pay; nor should any contractor be permitted a profit on cost-plus contracts in excess of the normal banking rate for the use of his capital, owned or borrowed.

Because we do not have enough raw materials to supply all of the demand, it has been necessary to institute a system of priorities where the producers and distributors of raw materials are required to make them available first for defense production. This has meant increasingly that industrial plants not working on defense orders get only what is left, and less and less of these raw materials are reaching non-defense plants.

There are thousands of small industries in this State which do not have a defense contract. Surveys made by the California State Council of Defense and other agencies indicate that a great majority of these small industries have tried unsuccessfully to secure defense work. These plants now find themselves confronted by a dilemma. They can not get a defense contract. Letters we have received from scores of such plants indicate that unless some drastic steps are taken to correct this situation they will be obliged to close their doors within the next few months.

It is to contribute to a solution of this critical problem that the State Council of Defense is cooperating with the Office of Production Management and prevent the elimination of the thousands of small manufacturing establishments which are a vital part of our normal industrial economy. While it is true that these plants are small, in the aggregate they are the larger part of American industry employing the greater part of American labor. The effect of their closing would

be the displacement of thousands of workers. Their elimination would add to the difficulties of industrial reorganization in the post-war period. If we can find the way to bring these plants into the defense efforts, these serious consequences may be avoided.

Under the auspices of the Office of Production Management, the Army and Navy procurement offices and our State Council of Defense, industrial and agricultural clinics are to be held in Los Angeles and San Francisco about the middle of November. Exact dates will be announced later. The industrial clinic is for the purpose of calling together all prime contractors, subcontractors and potential producers of defense materials, prepared to present information as to their plant production utilities and capacities, to analyze this information and the results of all reliable research and surveys of all industrial production plants capable of being geared to the manufacture of such materials, to consider ways and means of spreading the government expenditures to employ such plants, and in general to engage in a cooperative effort to meet the problems to which I have referred. The agricultural clinic will analyze the requirements for California's agricultural production in meeting local consumer demands and in supplying those agricultural products which may be purchased for delivery to England, Russia and China; to direct the course and diversity of the production of California's agriculture so as to meet and fit into these anticipated requirements. This, for the purpose of bringing into employment and participation in our agricultural output all of our farmers and agricultural resources.

It is our purpose to aid the national program in a real constructive and effective manner, acting entirely under the authority of the Office of Production Management. Mr. Floyd B. Odum (Executive Director of the New Contract Distribution Division of OPM) advises me that he will personally attend this industrial clinic and bring to them the plans and exhibits of that office. Qualified experts from the agricultural production management will attend the agricultural clinic, prepared to direct and advise in the work and plans for accomplishing its purpose.

In this undertaking the Office of Production Management, the Army and Navy procurement offices, and the California State Council of Defense expect and should receive the full cooperation of industry, large and small, of labor, of finance, and of a citizenry rededicated to the preservation of American ideals of liberty and justice. The State extends to all concerned an invitation to participate in our State industrial and agricultural clinics; more specific information with regard to which will be duly publicized and made available from the office of the State Council of Defense at Sacramento.

AIRPLANE PLANT DEDICATION

Remarks at ceremonies at new Douglas Plant, Long Beach,

October 17, 1941

Today southern California saw the formal dedication of a defense production plant. This was no ordinary dedication of a completed building, but of a monument to the progress of aviation and an important and significant unit in our Nation's preparedness for defense program.

Dedication of the completion of this vast Douglas "blackout" plant to the cause of national defense brought to my mind a conversation I had over a year ago with the pioneer of California's great and growing aircraft industry. It was at a meeting called by me to organize California's State Council of Defense that I talked with Donald Douglas about the humble beginning of that industry and its marvelous accomplishments in the few dramatic years of its life; also of the great responsibilities for our national security devolving upon that industry. This personable, unassuming man, whose engineering genius and courage have contributed so much to California's leadership in the progress of the airplane industry, made a deep impression upon me. I did not find in him a personality of the acquisitive, selfish type, wholly concerned in the profit side of his business, but one with a sense of professional pride in scientific achievement for the industrial and economic progress of his country—the further conquering by man of and putting to man's beneficial use the elements and resources of nature. It was with great admiration for him that I listened to Mr. Douglas say to me that he deplored the necessity of converting the energies of this civilizing industry into the production of instrumentalities for human destruction; that this is all contrary to his ideals and ambitions with respect to the growth of that industry, but that since national security and the cause of civilization itself requires it, the aircraft industry will proceed to produce all that the cause of national security and freedom demands, and, he hoped, with products superior to any produced elsewhere in the world. In other words, the pioneer of the Douglas plant dedicated today, feels as we all feel that we are not a war-like Nation, not an imperialist Nation; we have no purpose of aggression or subjugation of any other country or its people. Our history bears this out. We would avoid war or the preparation for war unless it is forced upon us; unless our national security and that of the western hemisphere is endangered or the principles of democratic government and institutions are threatened with destruction. Then we must turn from our peace time efforts to make American democracy work as a classic example of progress in the American way of freedom and self-government, prepare to effectively defend our security and give aid and support to other peoples fighting for the same principles against their subjugation by the war machines of outlaw aggressor powers. This we are now doing, and to this cause we are celebrating the dedication of an important plant. In this celebration it is proper that we pay tribute not only to the

founders and the engineering genius that have built the Douglas plant to its present outstanding growth, but to all of the workmen who constitute the brain, the brawn, the skill and the loyalty that have made that growth possible. Already bombers and fighting planes of California's aircraft industry are reaching the English, the Russian and the Chinese fronts in their fight against Hitler's Axis Powers, but America's production of the things needed to defeat Hitlerism has just begun in the conversion of our peace time economy to a preparedness for war economy. We have a long way to go in reaching the peak of national production of which our great natural resources and productive facilities are capable. But this will come, and when it does, it will be felt wherever free men are fighting for their freedom from military enslavement. It will be exhibited on all the fronts and outposts of the Americas, and it will spell the permanent defeat of all of the military forces of the Axis Powers, the restoration of world peace, and the leadership of this the greatest Nation in the world in the establishment and enforcement of world peace in accordance with the principles and objectives set forth in the historic declaration of President Roosevelt and Winston Churchill at their meeting on the Atlantic. The time within which that reversal of today's direful world situation is achieved depends not only upon the facility and dispatch of the work of this great industry and all other productive industries of America, but upon the unity of the American people in support of their government's international policies. That unity has not yet been wholly achieved, but more and more it is being achieved as the days go by, and the soundness, foresight and principles of those policies are becoming more and more manifest to all of our people. Here in California I feel safe in saying that we are overwhelmingly supporting our government's international policies and all of the preparedness programs for defense that are given us to perform. Our State Government is gearing its activities to coordinate with that program and with "all out" production of the things required by it. We are cooperating thoroughly with every agency of the Federal Government to facilitate and speed up the work of the defense industries and also to maintain an internal balanced economy and a morale of the civil population that will give every support and inspiration for greater achievement to all of the forces employed to guarantee our national security and our aid to those who are serving it abroad. The performances of the Douglas plant, the completion of the unit dedicated today, is one example of California's progress for its country's defense and general welfare.

GRAND NATIONAL LIVE STOCK EXPOSITION

Address before San Francisco Advertising Club,

October 29, 1941

Mr. Chairman, Distinguished Guests

Ladies and Gentlemen

My pleasure at being with you today is immeasurably heightened by the knowledge that I am participating in another event of deepest significance to our State and to the West.

This luncheon, in a sense, may be considered to be the dedication of a new institution * * * an institution of unlimited potentiality for service to California and its neighboring States of the Pacific Coast and Rocky Mountains * * * the Grand National Live Stock Exposition to be held here in San Francisco from November 15th to 22d.

Possibly, as advertising men and women, normally occupied with other matters, the relation of the Grand National Live Stock Exposition to yourselves may have appeared somewhat remote.

However, your presence here this afternoon—and, I might add, the commendable and very profitable curiosity which seems to typify the men and women of the advertising profession—reflects a healthy interest on this point, and a willingness to learn. So perhaps we even can study the matter together.

I know that none of you is unaware of the tremendous importance of agriculture in our scheme of western economy.

I know that each of you is vitally conscious of the debt which all of us here in the modern West owe to its agricultural and other primary industries.

I think all of us realize that our whole edifice of business, finance and trade is erected upon a foundation of primary industries * * * agriculture, manufacturing, mining, lumbering, fishing, and the others.

More than any other section of this great country, we in the West are creatures of the soil * * * from it we have derived our strength, the essence of our greatness, and from it we shall continue to gain the elements of our future growth. For here in California, with all of our tremendous variety of natural and cultivated wealth—the forests, the oil wells, the mines, the factories, the moving pictures—our No. 1 industry is still * * * agriculture!

Yes, farming is still California's biggest business * * * still the principal means of livelihood for the 7,000,000 people who live here.

And of this great, No. 1 industry, live stock and dairy activities provide the principal source of our State's cash farm income!

Perhaps I can convey a more graphic representation of the vast scale of California's agricultural industry—and particularly the division of live stock and dairy production—by pointing out that in 1940—last year—orchards, farms and ranges of this State produced more than \$628,500,000 in agricultural income—and that something like 34 per cent of this total, of \$216,000,000, came from live stock and dairy operations alone.

Now what is true in California with respect to live stock is true in the other Western States * * * indeed, to perhaps an even greater degree. For live stock operations over the eleven Western States as a whole account for approximately 50 per cent of all farm income * * * and these eleven Western States produce something like 70 per cent of all live stock raised in the United States.

Yes, despite the staggering implications of these totals, the cry today is for more and more live stock and dairy products * * * the cardinal point in Secretary of Agriculture Wickard's Program of National Defense husbandry is the production of greater quantities of milk and dairy products, beef, pork and lamb.

These are the sinews of national defense, just as truly as are tanks, rifles, bayonets and "jeeps." God forbid that we find ourselves in a shooting war, but it is only a blind man who fails to see the dangers in his path and neglects to arm himself against them. The production of food is as essential to the arming of America as the building of ships and planes. The man who sows the field and herds the flocks is every whit the patriot and defender of his Nation that is the man who toils in the shipyard or aircraft plant, or drills with bayonet.

The injunction to produce more food—and the kind of food which an arming nation must have if it is to be strong—must be obeyed. Our farmers must produce more cattle, more swine, more sheep.

Now where in this picture does the Grand National Live Stock Exposition fit?

I believe most of you see just where it fits. But the picture is well worth looking at very carefully.

First of all, how many of you here today realize, that contrary to popular belief, California does not begin to produce enough live stock and dairy products to satisfy its own needs, even in normal times?

That's a fact. California is an importing State, in so far as live stock and dairy products are concerned. An importing State, in the face of the fact that 80 per cent of our tremendous acreage of land in California is suitable only for the production of live stock, and that climatic conditions in this State are ideal for live stock breeding and operations!

California produces only 75 per cent of the dairy products it consumes—only 65 per cent of the beef we eat, and, when it comes to pork, less than 40 per cent of what we need!

At the same time, we continue to produce tremendous specialty crops, for which we find progressively restricted markets as the years go by. I dare say there are few of you here today who are not familiar with the sight of uprooted fruit or nut trees, wasted fields—evidence of deliberate destruction of bearing crops because they no longer can be raised and sold at a profit.

I think the conclusion is obvious.

We ought to quit producing surpluses of crops which are hopeless, and turn to the production of those things for which there is a demand.

Naturally, I don't mean by that to advocate a complete abandonment of our farmers of citrus and deciduous fruits, nuts and field and truck crops in favor of dairy and live stock production. In all these adjustments, there is a balance of forces which prevents excesses and extremes.

But I must seriously commend to the agricultural population of our State the consideration of the factors I have briefly outlined, and the possibility of an improved economic situation based upon a recognition of the actual demand.

Thoughtful agricultural leaders have long advocated the diversification of crops, particularly greater devotion of effort to live stock and dairy production. I think the time has come for our farm people to pay heed to such advice. Every circumstance of economic demand today points to an ascendent live stock and dairy industry for many years to come.

In suggesting the possibilities which live stock and dairy production offers the California and Western farmer today, I am well aware that a most important condition attaches itself thereto—the condition of quality.

After all, there are cows and cows, sheep and sheep * * * pigs and pigs * * * good ones and bad ones. We only want the good ones.

It is a simple but seemingly widely overlooked fact that it requires no more land and no more feed to raise a good animal than a poor one.

Yet the good animal brings a substantially good profit, while the poor animal means either little or no profit at all—or, perhaps a loss.

I said “seemingly widely overlooked fact” because actually many of our farmers are anxious to improve the quality of their stock but can not do so. Why can't they?

The answer to that question lies in the fact that comparatively few of our farmers and live stock producers here in California are able to travel to the live stock market centers to obtain the blooded stock needed to improve their herds.

The quest for good quality animals is an arduous one. The average farmer, busy with his crops and daily chores, has neither the time nor means to go roaming about the countryside in search of the kind of animal he wants.

Then what can he do?

It isn't so much what he can do—it is what can we do for him. We can bring him what he needs to a centrally located, convenient market place—a market place close to his farm, yet one where he can obtain the best of what he wants.

Such will be the Grand National Live Stock Exposition.

The Grand National comes at a singularly appropriate time.

It comes at a time when the leaders of our country are voicing a compelling plea for greatly accelerated production of quality live stock and dairy products.

It comes at a time when the live stock producers of California and the Western States are keenly conscious of the need for increased animal production and the opportunities awaiting them by reason of such production.

And it comes at a time when it will afford western live stock producers an unprecedented array of the Nation's best beef and dairy cattle, horses, sheep and swine, from which they may select animals for the upbuilding of their own herds and the creation of great new blood lines—blood lines which, I might add, by reason of the ruthless slaughter of domestic live stock in the hapless nations of Europe, will in great measure supply the world with its seed stock in the future.

In this time of challenge and opportunity, it is fitting that the plans and striving of eight years reach fruition in the completion of the great "Cow Palace" and its dedication to a public service, the importance of which can not be exaggerated.

I believe that I can be pardoned a sense of pride in the fact that this great undertaking has been realized during my administration, and that the officials of your State Government, during the past three years, have lent every possible aid to the successful culmination of plans for the first annual Grand National Live Stock Exposition in 1941.

The Grand National, as you know, is a State project. The No. 1-A District Agricultural Association, its sponsor and the builder of the "Cow Palace," is a State agency, comprising the counties of San Mateo and San Francisco. The State of California has invested hundreds of thousands of dollars in the project, together with those two counties, the City of San Francisco and the Federal Government. Like them, the State of California has made this investment because of a profound belief in the tremendous mission the Grand National and the "Cow Palace" will accomplish.

This great building, the finest live stock pavilion in the world, with upwards of 12,000 seats in an auditorium without pillar or post, is to be dedicated on November 15th.

With that dedication, there will begin a new era in the development of California and western live stock and dairy history—an era which we have every reason to believe will mean new prosperity to and new service by western agriculture.

It is this service to which the "Cow Palace" and the Grand National Live Stock Exposition are dedicated—to the improvement of western live stock, to the prosperity of western agriculture, and to the production of those foodstuffs our country so desperately needs for its task of preparedness.

The success of the Grand National is of vital importance to California—to San Francisco—to the entire west.

Live stock shows of the scope of the Grand National—which you may not realize, will be one of the three or four biggest events of its kind in the world—are something new to California. Therefore, many of us may not recognize its tremendous importance.

I was interested, reading a copy of a Salt Lake City newspaper the other day, to come across a statement by Mr. George S. Eccles, president of the Ogden, Utah, Live Stock Show, in which he declared that in the 22 years in which that show has been held, quality of live stock in the contributing area has been improved several thousand per cent!

And Mr. Harold DePue, the new manager of our own Grand National, tells us that his North Montana State Fair, in ten years of operation, improved the quality and production of Montana and Rocky Mountains live stock several hundred per cent.

In other words, these live stock expositions are not merely shows—they accomplish definite results of tremendous benefits.

And to those of you who may be inclined to puzzle over the relation of live stock to your own particular pursuits, let me cite one further example—business men in Denver and Portland inform us that the

weeks in which their annual live stock shows are staged bring more business into their stores than Christmas Week!

Before I close, I want to congratulate San Francisco, and the San Francisco Advertising Club, upon its enthusiastic support of the "Cow Palace" project and the Grand National Live Stock Exposition.

As my friend, Mayor Angelo Rossi will testify, I have not always described San Francisco's support of rural activities in terms of charity.

But certainly in its relation to this great project, in its enthusiastic championship of the Grand National, San Francisco is entitled to the gratitude of California and the Western Hemisphere and deserving of her boast of being agriculture's "Friendly Neighbor."

San Francisco is the logical place for the Grand National. Its natural advantages—geographical location—make it the logical export and service center for the great live stock and dairy industry of the west. Together with San Mateo County, San Francisco is to be honored for progressive thinking and in appreciation of the problems of its rural neighbors, and its resolution to turn to and lend a hand to their solution.

And so, with every wish for a successful Grand National, and the hope that this splendid demonstration of community support evidenced here today may be continued, in the future, I bring you the greetings of the people of California and the assurance of their support in this great enterprise.

Good luck and thank you.

ARMISTICE DAY—1941

*Remarks at public ceremonies, Los Angeles Coliseum,
November 11, 1941*

We have just finished celebrating the Armistice, preliminary to the peace which American arms made possible in what history records as the first world war. We were drawn into that war in the cause of freedom and democracy. Our purpose was to bring about a peace on a firm foundation of international cooperation which would prevent further war. We won that war, but unfortunately we and the peoples of the rest of the world failed to win the peace predicated on that armistice. Because of that failure we are in the midst of and may inevitably be drawn into a second world war, more far-reaching and more destructive in its consequences than the war which Armistice Day, November 11, 1918, brought to an end. Now, more obviously than then, the success of aggressor nations, led by mad dictators, intent upon conquering the world, is our own national security, as well as freedom and democracy everywhere, threatened with destruction. Against this we are preparing to defend, with all of the strength of the great resources and productive capacities of our country. That we shall succeed in that defense, there can be no doubt. Whether drawn into actual warfare in a battle of the Atlantic or in the Pacific, or both, we shall emerge in the traditional American pattern which means victory. Whatever disunity may be voiced among Americans with regard to the strategic course that we should follow for our own defense and for the protection of American rights in this terrible emergency, we know that when final decisions are made and our course is set and determined through the processes of our democracy, there shall be unity in following through to a successful issue. To keep the war away from our shores, to confine it to the eastern hemisphere, where it began, and as the surest means of preventing the necessity of ever sending another American expeditionary force to the continent of Europe, the President and the Congress of the United States, responding to the will of the people, have provided for furnishing "all out" material aid to the nations there fighting these aggressors. This aid may enable our natural allies to impose another armistice based upon the defeat of these would-be conquerors of the world.

Yet we realize that America may become further involved before that new armistice shall occur.

Whatever may be the road to another world peace, that peace will also fail unless America joins in preserving and enforcing it in accordance with the peace objectives of all peoples struggling for freedom from aggression and tyranny. To win such a peace, America can never consider itself an isolationist Nation, but must wholeheartedly enter into an association of all nations of the civilized world for the enforcement of peace and justice, the protection of human rights, and the supplying of human needs. To that end America must, as the greatest nation on earth, respond to the call for its leadership, which comes from the hearts of humanity.

THANKSGIVING DAY—1941

Address over California Radio System,

November 19, 1941

My Fellow Citizens

Tomorrow we celebrate the first and the most American of all festivals. In celebrating Thanksgiving we do far more than give thanks for our material blessings; far more than give thanks for moral and spiritual welfare; more, even, than for national safety. We do honor to the spirit which, perhaps more than any other one factor, makes America the world's great symbol of hope. I refer to the spirit of freedom.

In celebrating Thanksgiving, we celebrate the first American harvest of corn, potatoes, pumpkins, turnips, acorns and nuts garnered by those hardy Puritan men and women who, in the bleak fall of 1620, landed at Plymouth Rock. We do honor to dauntless men and women who were so determined to win freedom to worship God according to their own lights that they severed the ties of family and livelihood in the mother country and embarked upon one of man's truly epic, truly great pilgrimages: pilgrimage to a new and unexplored world—now our world—here to settle in a wilderness. To win freedom, they stood ready to face, and they actually did encounter and overcome, hardship and terror and hunger almost to decimation.

They won the freedom they sought; freedom of worship for themselves. It was a narrow freedom, however, inasmuch as they did not accord a like freedom to followers of other creeds. That came later.

But, in winning this seemingly limited freedom, they established the pattern of American life and living; yes, even of American Government as we know it today.

Because, looking back, we must realize that each succeeding step in our great national march of progress, since that day more than 300 years ago, has added to the extent, the quality, and the strength of freedom; freedom for Americans in actuality, and the example of freedom for all the world.

The Revolutionary War won us independence—independence of foreign rule and the right of self government as later embodied in the United States Constitution.

The War of 1812 established freedom of the seas, not only for Britain but for America, and thereby for all nations.

The war between the States extended freedom to men of all races, thus giving substance and reality to the slogan “* * * the land of the free * * *” in our national anthem.

The Spanish-American war was America's declaration of freedom for men throughout the new western world.

And our participation in World War No. 1 was America's pledge, America's commitment to democracy, and government of, by and for the people.

But America's wars have not been our only paths to freedom. We have won many of our most important accessions to freedom by wholly peaceful means.

The Monroe Doctrine, announced in a period of peace, although a rather tense one, was America's Declaration of Western Hemisphere Independence; a declaration that Europe's age-old quarrels and jealousies must not be transferred to the soil of the Americas.

The application of science and inventive genius to our natural resources and physical processes; the application of power—the power of the steam engine, the internal combustion engine, and electricity—to agriculture, transportation, communication and manufacture; all of these, by wholly peaceful means, have brought the promise of emancipation of men and women from sodden drudgery. They have given us the means to comfort and even plenty, and laid open to us new avenues to freedom for leisure, culture, improvement of the mind, and enjoyment of the arts.

Pursuit of freedom has lifted the art of healing out of the category of soothsaying and sorcery into the field of science, and made it man's most beneficent profession, giving him the hope of freedom from the awful scourges of disease and malnutrition which have marked all past history.

The list of peaceful accessions to freedom must also include the many improvements we have woven into the social fabric. These are typified by the abolishment of child labor, universal suffrage, the establishment of minimum wages, workmen's compensation insurance, unemployment insurance, taxation according to ability to pay, collective bargaining in industry, old-age pensions, and the extension of the principles of social security on all fronts.

All of these came only after sharp struggles, but these struggles, for the most part, were carried on at the parliamentary level, with almost no casualties except the political casualties among those who failed to understand, and therefore tried to oppose, man's drive to achieve freedom. And, indeed, many of these social improvements are so very recent that some men still are unable to appreciate their beneficence; still unable to accept as necessities improvements which they regard as luxuries and, therefore, subversive of public morals and good government. I believe, however, that most of us approve these improvements as necessities. And if, indeed, they are luxuries, they are luxuries which most people believe we can well afford now that we have discovered our enormous capacities to produce all of the material essentials of secure and comfortable living.

The Puritan fathers came seeking freedom—freedom of worship. But they knew there could be no freedom of worship unless they had an assured food supply. This required their hard labor on the soil and in the forests. And, when they gathered in the first fruits of their labors, they were more than ready to give most fervent thanks for nature's bounties so well earned.

We of today similarly observe this traditional occasion for Thanksgiving. Despite the ease with which we draw food from the soil and convert our natural resources into comforts, it is good for us to be reminded that, after all, we live very close to nature, very close

to the soil. It is well that we remember the roots and the nature and the sources of productivity as the foundation of living.

No matter how great our wealth, no matter how complete our mastery of the forces of nature, even in Utopia man shall have to work for his living. This should teach us that the object of social organization and government should be, not that of creating or enlarging the groups of men free from the necessity of work, but that of assuring men that their work shall be rewarded in terms of comfort, culture and security.

There is another very valuable and salutary lesson that we can draw from the American institution of Thanksgiving and its origins. While the Puritan fathers came seeking freedom of worship, they knew there could be no such freedom unless they were free from attack by other tribes of men. They knew they could not ignore or live apart from their neighbors. Hence, when they gathered in their first crops, they shared nature's bounty with their Indian neighbors who came to partake of their Thanksgiving feast. They did this, not merely to repay the Indians for the food that had carried them through the previous winter and spring, but in order to cement the only possible relationship under which they could be safe from attack.

The lesson to us today is obvious. We can no more live in isolation from our neighbors; we can no more ignore their behavior than could the men and women of the Massachusetts colony 300 years ago.

I believe I observe, among the American people, a rising recognition of the truth and validity of this lesson. And for this, I believe we should give special thanks at this Thanksgiving season, because recognition of the fact that we can not cut ourselves off and live apart from the rest of the world is a prerequisite to national safety.

We are a democratically inclined people. We believe in a live-and-let-live policy. We discipline ourselves, we subject our behavior to considerations of law and moral responsibility. But we live in a world beset by super gangsters who deny democracy and all its teachings and benefits. We live in a world beset by gangsters intent upon the destruction of democracy, gangsters intent upon world enslavement.

As long as any large number of the American people believe that the United States can ignore these gangsters and somehow be insulated against their depredations by distance or circumspect behavior, we shall lack that complete unity which should obtain in our preparedness effort to defeat the forces of antidemocracy.

But we should be thankful for the growing realization of our true part and place in the world of today, and that national safety lies in sharing our great plenty with our anti-Axis neighbors, thus supporting them in a struggle which means so much to the life of a democracy and world civilization, as well as to our own national security.

For a long time we were prone to take our freedom for granted, feeling secure in their possession, and security in our 300-year-old habits of democracy. For a long time we felt only contempt for the Fascist dictators, and disgust at the barbarous indignities and hardships they visited upon their subject peoples. And we hoped against

hope that these would some day come to an end; without our involvement. But the developments of this most awful war of all history have made the realization of such hopes impossible.

Now all are giving our most fervent thanks at this Thanksgiving season that we are possessed of great wealth and resources, that we are possessed of enormous productive capacity, that we are possessed of genius for organization, and that we are determined to use these possessions to keep alive and burning the torch of freedom handed down to us by those sturdy Puritan men and women who celebrated the first Thanksgiving 320 years ago.

With these Thanksgiving greetings I bid you good night.

BILL OF RIGHTS WEEK

*Remarks on B'nai Brith broadcast, Station KFWB, Hollywood,
December 6, 1941*

My Fellow Citizens

Next week is "National Bill of Rights Week." It culminates in "National Bill of Rights Day" on Monday, December 15th, which is the 150th anniversary of the day on which the Bill of Rights was ratified by the State of Virginia, the last State ratification necessary to press these rights into and make them a part—the living part—of the Constitution. As Governor, I call upon all people of California to join in the Nation-wide commemoration of this truly great and significant event; great because it was a milestone of achievement along man's long road to freedom, the achievement of civilized government; significant because it told the world that our forefathers had won not only their Revolutionary War for independence but also the peace which followed.

The American Bill of Rights is a simple listing and guarantee of man's rights as an individual and of men's group rights. The American Bill of Rights is a statement of the very spirit of America; the spirit of freedom.

History tells us the rights of many were not won easily. And the present world scene tells us, most positively, that they can not be held lightly.

History tells us they were won only at the cost of wars, tears and sorrow throughout centuries of struggle; struggle which culminated in Magna Charta, wrung from King John at Runnymede in 1215; in the English Bill of Rights, granted by William and Mary following the English rebellions and revolution in the 17th Century; in our own American Constitution and Bill of Rights following the Declaration of Independence and a war for that independence; in the emancipation of man from chattel slavery, proclaimed in the midst of a bitter war between the states.

Thomas Jefferson told us we could not hold these rights easily; that we would have to renew them in blood and struggle in each generation. We find full and complete proof of his wisdom in the present world struggle. We all hope that it represents the last desperate attempt by despots and dictators to enslave man.

The hope of mankind, the very essence of victory for democracy, in this struggle against dictatorship, consists of holding on to the rights guaranteed us in the American Bill of Rights.

Hence the meaning, the intense reality, of next week's ceremonies observing the 150th anniversary of the Bill of Rights. Again, I ask all citizens throughout California to join in and share them.

I thank you.

CALIFORNIA AND THE WAR

*Address over Mutual Don Lee Broadcasting System and California
Radio System, December 14, 1941*

My Fellow Citizens

California and its people are called upon to perform a major role in this world war. California and its people—every man, woman and child—unitedly responds to the performance of that role and duty with enthusiastic loyalty, devotion, and a willingness to make any sacrifice it requires.

With a thousand miles of coast line along the Pacific, our geographical position places us in the first line of defense against invasion. Our great natural resources, our huge oil supplies, our enormous agricultural and industrial production, our numerous aircraft factories, shipbuilding yards, and other facilities needed to sustain our Nation in the winning of the war, are the natural objectives of attempted aggressions of our enemies. Already enemy reconnaissance, if not bombing, planes are known to have passed along our coast and to have covered a part of the interior areas. Enemy forces for invasion from air or sea may be hovering about us. We know the regular Army, Navy and Air Forces of our country, many of which are based in California, will ultimately defeat such efforts; but we also know that until our enemies are ultimately and completely destroyed, the people and all the resources of California must be enlisted and marshalled for their own protection and for carrying on this world war against the Axis Powers to a successful conclusion.

When I say that the people of California loyally and enthusiastically respond to their duty in this crisis, I mean not only native sons and daughters of old American ancestry, but also every racial group, including Californians of Italian, German and Japanese extraction, as well as Californians of French, Austrian, Hungarian, Holland, Belgian, Czecho-Slovakian, Jugo-Slovakian, Roumanian, Bulgarian, Scandinavian, Grecian and of other ancient nationalities whose people in Europe, Asia and Africa are now enslaved by the military power of these world bandits and enemies of mankind, known as the Axis Powers. All these groups of California's population, as well as those derived from Spanish, Mexican and Latin American Republics of our Western Hemisphere, of Great Britain and her Dominions, of China, of Syria, Armenia and other small nations, are united with traditional and native-born American citizens; all ready to do their part in the service of our country in this, the greatest world crisis in history. Communications received by me from these various groups give assurances of their loyalty. It would be impossible to review them all in this broadcast, but as a sample of what I mean, let me quote to you, for instance, the following telegram representing the sentiment of our population of Austrian extraction, expressed through representatives of the Free Austria Movement in California. It reads in part as follows:

"Thousands of free Austrians imprisoned or executed by Hitler's troops are the chief witnesses for the clear desire of Austrians to be separated from Germany after the victory. Those Austrians who enjoy the hospitality of this country and have been privileged to declare their intention to become free American citizens consider it necessary to express the intention of their silenced former countrymen to become free Austrians again. They for their part offer whatever support they can give and gladly accept whatever sacrifices might be demanded in the great struggle for a free world. They are sure that with the help of God and the Americans victory will be won."

And as illustrative of the many assurances by the Japanese groups of American born Japanese citizens and Japanese residents of California, who number seventy thousand or more, is this telegram from a Japanese resident of San Mateo. It says:

"I am Japanese, coming from Japan twenty-two years ago to this great country of United States of America. I have lived very freely under the protection of the United States Government and the great Flag of the Stars and Stripes over two decades. Now I am myself deeply guilty conscious that the Japanese navy attacked the peaceful American land without warning. They bombed and machine-gunned killing the Japanese people in Hawaii as well as the American people. I condemn the Japanese attack. It is apparently the method of very treacherous Hitler's butchery tactics. I am really mad from the bottom of my heart and determined to fight against the treachery, hypocrisy, butchery, tyranny rulers of the Japanese navy, army and the government who are just puppet of Hitler's world domination. I ask you to let me organize Japanese, Chinese and Filipinos in this free country to voluntary arm to join abroad the Chinese army that are now fighting to defeat Hitlerite Japanese army on their land to smash our common enemy of Fascist and to liberate our people from under the yoke of Hitler's slavery regime."

Similar communications, manifesting loyalty on the part of all our racial groups, are pouring in.

But we do know that our enemies have their spies; that they have their carefully laid espionage plans; that they have their fifth columnists here and elsewhere in America, whether working under the direction of the German, the Japanese or the Italian secret service, and that, therefore, every precaution and guarding must be exercised and provided against the havoc and disaster which any successful sabotage might cause. As to such enemies within our midst, I am sure the Intelligence Service of the Army and the Navy and the F. B. I. of the Department of Justice, whose duty it is to ferret them out, arrest and place them in concentration, will receive the aid and the cooperation of those of our loyal racial groups who are in an advantageous position to aid these authorities in detecting such enemies. All information leading to the apprehension of such enemies

should be communicated to the offices of the F. B. I. immediately, and I call on all loyal citizens and residents of California to perform that duty.

We are in a serious emergency; greater emergency than any that we have ever faced. I am issuing a proclamation declaring a state of emergency in California, in order that our plans for the performance of California's war duty, its home defense, its police, fire and State Guard protection, its health, welfare and consumer protection, its transportation, housing, works and facility needs and their protection, and for marshalling of our industrial resources and production, our agricultural resources and production, and our human resources and skills, may be readily, effectively and efficiently carried into action. That proclamation reads as follows:

During the long and grim struggle which we undoubtedly face, with its hazards and required sacrifices, our people must be protected as well as directed in their work in civilian life discipline, in the maintenance of a morale of enthusiastic cooperation and in the performance of all of our responsibilities from fireside to firing line. The responsibility for this protection rests upon the people's duly constituted State and local governments, with such emergency aid as they may call into service. Your State government is organized and prepared for that responsibility on its part.

As early as June 24, 1940, in anticipation of the need for preparedness for California's part in the National Defense Program, and for the emergency of war into which we were actually drawn last Sunday by Japanese invasion, I appointed a State Council of Defense, representative of industry, labor, State and local governmental agencies, veterans organizations, education and health and welfare agencies, for the purpose of planning a program for home and civilian defense. At that time it was difficult for us all to believe that we would now be in actual war. There was no legislation then providing for a California State Council of Defense, and none was enacted until a year later. However, the original Council, so appointed and organized, laid the plans for State defense and civilian protection, cooperated with the Council of National Defense in setting up patterns for the States to follow in the organization of State agencies for home and civilian defense, and began organization work in accordance with such plans.

The Legislature recognized the need for the establishment of the State Council and local councils in accordance with such plans, and on May 30, 1941, enacted a measure providing for the establishment of the California State Council of Defense "In order better to provide for the participation of this State and its local units of government in the National Defense Program * * * under the direction of the Governor as the executive head of this State" and "to provide State and local defense councils for the integration of all governmental programs for defense, for the adjustments necessary to effect a prompt assimilation of such programs, and for the proper coordination between the activities of government and the private agencies cooperating in the defense effort."

The members of the State Council of Defense, set up under this act, consist of the Governor, the Adjutant General, the Attorney Gen-

eral, the State Superintendent of Public Instruction, the Director of Public Health, and twenty members appointed by the Governor, who is ex officio Chairman of the Council. An executive committee and an executive secretary are provided for. The work of the Council is divided among its committees, whose duty it is to study and make recommendations of specific plans for the direction of all local governmental agencies and councils of defense in the various fields of civilian defense, health, welfare, transportation, housing, and production activities.

On similar pattern, and in accordance with directions from the State Council of Defense, local councils of defense are organized under the authority of local county and city governments and under the direction of the chief executives of the county and city administrations. Ordinances have been adopted providing for these local councils of defense, as recommended by the State Council. Plans have been prepared by the State Defense Council, to be followed by all local councils to meet civilian protection and defense requirements. Further instructions are in course of preparation by the State Council and by the National Office of Civilian Defense, which are transmitted by me to the local councils and to the public. Naturally, considerable time is required in putting into effect uniform rules, regulations and detailed methods of procedure for the various defense activities, including the enlistment of voluntary services. But such uniform regulations and procedures are rapidly being perfected until there shall be accomplished a line of authority from the Office of Civilian Defense of the Nation, through the Governor to the State Council of Defense, to the local governments and their councils of defense, to the volunteer organizations in every line of activity, as well as to the population generally, concerning each individual's duty in all emergencies. These uniform directions will be given and repeated by broadcast, by pamphlet circularization, and through the columns of the press until they shall become fully understood by the entire population. Continuous work to that end is now being performed. I will, as will the Executive Secretary of the State Council of Defense, communicate to the local governmental authorities and their defense councils, and to their volunteer auxiliary forces, and to the public generally, uniform regulations for carrying out details of plans coming from the National Office of Civilian Defense and from the State Council of Defense. Every citizen should be on the alert for this information and become fully acquainted with his duty in line of action in any disaster, whether from bombing or other cause that may endanger life or property. This does not mean that everyone should volunteer for State Guard duty or for any given line of duty, such as air raid wardens, fire wardens, or other police or semipolice service. Only a limited number can be designated for such service. But it means that there is a duty for everyone, including women and children, to perform in the home, on the streets, and in public places for his own protection and for the protection of his neighbors in faithfully following out instructions given by the duly constituted authorities in any and all emergencies.

Central registration offices for all volunteers for civilian defense duty are being established in each locality, from which central office volunteers will be assigned to the division of service in which he or she

may best serve. Volunteers for civilian service should call on their city and county authorities for directions to these central registration places.

The organization and functions of the State Guard, established since the National Guard was inducted into the regular Army, which is now being increased to 25,000 officers and men to meet requirements for its services, will be the subject of another broadcast by me for the information of all volunteers to this important service and for the information of the public generally.

Let us all realize that we are all enlisted to perform our respective duties in the grave crisis faced by our State and Nation, whether as civilians, government officials, reserve Army, Navy and State Guard forces, or as actual combat troops. Every night let us repeat our allegiance to the Flag of the United States of America; every day let us renew our resolution that that Flag shall remain hoisted as the beacon of liberty and justice for the people of all the world as we go forward with firm determination that we shall not only crush the Axis Powers and free mankind from their enslavement, but that we shall also be prepared to win the peace that shall follow this world war.

Good night.

RATIONING OF RUBBER TIRES

*Address over California Radio System,
December 31, 1941*

It is my purpose to discuss with you tonight the program for the rationing of rubber tires and tubes, which the Office of Price Administration has asked your State Government to help carry out.

Rubber is a commodity vital to the production of the material of war. While we have the largest stocks of rubber on hand now in the history of our country, still there is not enough to supply the requirements for production of the planes and tanks and guns we must have, and for normal civilian needs as well. This need for the conservation of rubber is made necessary, of course, by the war in the Pacific, which has made much more difficult for the time being access to our normal sources of raw rubber in the South Pacific.

The great bulk of the demand for rubber to supply normal civilian needs is to be found in the manufacture and purchase of tires and tubes for automobiles. Therefore, all of us, as citizens, are to be called upon to get along without all but the very minimum essential supply of tires and tubes absolutely necessary for the essential public services, and essential commercial requirements. This small sacrifice of personal convenience, I know, all of us are more than willing to make.

I say I know the people of California are willing to make whatever sacrifice may be asked of them, because each day brings to my desk in the form of letters and telegrams and personal visits new evidence of how earnestly all of our people desire to have some part in winning this war so that peace and freedom and justice may be restored to the world.

The cooperation of all the citizens of our State in helping to make this program of rubber rationing a success is only one of many ways in which each of us can contribute to the successful prosecution of the war, but it is an important one. Therefore, in order that we may have the broadest possible public understanding of how this program will operate, I propose now briefly to review the machinery which is being set up and the manner in which it is proposed that this rationing machinery will operate.

First of all, it should be made clear that only new tires, casings and tubes are affected by the rationing order. It does not apply to used tires and tubes nor to retreaded or recapped tires, or to retreading and recapping services. However, after January 5th no person may purchase a new tire or tube unless his vehicle is one which falls within an eligibility classification and unless he has a certificate from his local rationing board.

Of course, what everyone wants to know is: Am I going to be able to buy a new tire or tube when the ones which I have are worn out? The answer is, no, unless you are operating a vehicle in the performance of certain designated services which are considered to be essential to the continued conduct of normal community life.

While the list of classifications of vehicles which may be equipped with new tires is too long to recite here in its entirety, some indication of the types of classifications can be given.

For example, vehicles operated by physicians and surgeons, or as ambulances, or by fire departments, police departments, sanitary services, and public health services, may be equipped with new tires. Essential transportation services are also provided for, as are school buses and transportation for defense workers where no public transportation facilities are readily available.

It has also been necessary for the United States Office of Price Administration to give special consideration to certain types of trucks, such as those used for the transportation of ice or fuel, or for the construction and maintenance of public roads and public utilities. Trucks which are necessary to maintain production facilities, for the construction of defense housing and military and naval establishments, and for the transportation of raw materials, manufactured goods and farm products also are to be permitted to be equipped with new tires.

Finally, to the extent that rubber tires, casings and tubes are essential for their operation, farm tractors and other farm implements and industrial, mining and construction equipment will be taken care of.

You will understand from these eligible classifications, the plain fact that we just aren't going to get any new tires for our own personal use. Either we must get along with retreaded or recapped tires or find some other means of transportation.

Let us consider now how this program will operate. As a legal proposition, the power to ration commodities is vested in the President by the Congress. In this instance, the rationing power has been delegated by the President to the Office of Price Administration. In turn, the Office of Price Administration has called upon the State and local government authorities to assist in carrying out the plan. As Governor of California and Chairman of the State Council of Defense, I have today appointed Paul Barksdale D'Orr, of Los Angeles, as State Rubber Rationing Officer, and on Friday I will announce the appointment of an assistant State Rationing Officer at San Francisco. They will serve without compensation by the State or the Nation.

Under these circumstances, it is fortunate that months ago there was created and appointed as a part of the California State Council of Defense a committee on rubber, which includes outstanding representatives of the rubber industry in California. We propose now to call upon the membership of this committee to provide the technical advice and information which we will need to develop an effective and orderly procedure under which to administer the rationing program.

We have also called upon the cities and counties to appoint local rationing boards to be composed of three members who will serve as volunteers. It is upon these local boards that the real burden of administering the tire rationing program will fall. In our memoranda on this subject addressed to the cities and counties, it was suggested that cities having a population of fifty thousand or less should have one rationing board, unless experience proved that additional boards were necessary. However, in order to minimize the inconvenience to the public of waiting to be served by these boards, we have suggested to

the cities having populations in excess of fifty thousand that a larger number of such rationing boards should be created for the convenience of the public. Many counties also will find it necessary to create rationing boards in order to serve the needs of the smaller populated centers in the unincorporated areas of the county removed from the centers of population.

We are encouraged by the prompt and effective responses which the cities and counties have given to our request that they act immediately to create these local rationing boards. There has been very little, in fact too little, time given to us to set this program up as carefully as we would have preferred to do, but it must be remembered that the need for rubber rationing was not anticipated before December 7th.

It is because the Federal Government and the State have been obliged to move so quickly that we are so much encouraged by the evidences of the willingness of the cities and counties to accept this difficult responsibility. We know, and I am sure you will realize, that during the first few weeks the plan will not proceed perfectly, and that there will be many mistakes made. I would ask that everyone be patient, helpful and understanding, and particularly that you give your local rationing boards the cooperation which they deserve as volunteers who are undertaking this program as a service to their State and their country.

The detailed regulations under which your local rationing board will operate have just been received from the Office of Price Administration in Washington, and have been sent to your local Defense Council. The widest possible publicity will be given these regulations so that you will be fully advised of the procedure which must be followed. In general, the plan is that if you believe your vehicle is among those eligible for new tires, in accordance with regulations, and you desire to purchase them, you will take your vehicle to one of the authorized inspection services, so that the tires now on the vehicle may be inspected to determine the degree of wear and whether or not it is absolutely necessary that they be replaced at this time. In the event the tire inspector agrees that new tires are necessary for your vehicle, you will then make application to your local tire rationing board for a certificate. The board will determine whether your vehicle is in fact operated in such a way as to bring it within an eligible classification. If the board agrees that your vehicle is eligible and has evidence that new tires are necessary, then it will issue a certificate authorizing new tires from your dealer, in the event the quota for the county or city has not been used up already.

You realize, of course, that rationing entails more than simply limiting the classifications of vehicles for which new tires may be obtained. There is also to be a limit upon the total number of tires which may be sold for any purpose. This total number or "quota" for the State will be broken down and allocated to the cities and counties on the basis of registration of commercial vehicles. Therefore, your local rationing board must not only determine the eligibility of applications, but it is also limited by the quota which determines the total number of tires which may be sold in any month.

We are requesting your local city and county authorities to give the widest possible publicity to the names of the members of the rationing boards, to the locations in which such boards will meet and be available to the public, and to the regulations as they come through in greater detail.

What I have undertaken to do here is to summarize the main points of this tire rationing program so that you will understand why it is necessary and why its success depends to such a great extent upon public cooperation. Doubtless this is but one of many similar measures which may be necessary to provide our armed forces with the equipment they need to win this war.

Tomorrow is the beginning of a new year, which we approach with a deep sense of our responsibility in meeting the perils that we face and the duties and sacrifices we must all make, whether as public officials or as individuals. We can not anticipate that it will be a happy new year, but we can say that it will be a year in which the fortitude, patriotism, loyalty and unity of the American people will be manifested in the performance of every call for home and for civilian defense, as well as for service in our Nation's combat forces.

In this spirit of unity and resolution to win the war, I extend New Year's greetings.

PUBLIC ADDRESSES AND
RADIO TALKS

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1942

STATE DEFENSE PROGRAM

Radio address given over California Radio System, January 28, 1942

Our war for victory and our civilian defense naturally require the closest cooperation of State Government with the Army and Navy commands in California. Emergency requirements upsetting the normal peace time activities of the civilian population, considered necessary for prompt and unobstructed movement of combat troops, forces and supplies of the Army and the Navy, and as precautions for civilian safety and protection, must be adopted from time to time as emergency conditions and information within the knowledge of the Army and Navy commands and disclosed to civil authorities, justify. This means that much information regarding interference with normal civilian activities is of a secret nature, the disclosure of which would aid our enemies, and, therefore, can not be broadcast.

There is no doubt that all loyal citizens of California are willing to suffer any inconvenience or interference with their normal lives and their social and recreational diversions, as well as loss of business and employment whenever necessary to successfully carry on the war and protect life and property in California. It is not unnatural, however, that they may sincerely believe that some restrictions or interferences are not so necessary, and that it is entirely consistent with all defense and war work that certain restrictions be removed. I am referring now to such restrictions as have been made upon the advice and request of the Western Army Command, that horse racing be abandoned, and that other events, such as fairs, festivals, large conventions, parades, tournaments, and occasions of the gathering of many thousands of people in one place, with the incident congestion of highways in their travel to and from such places. I have received numerous communications, and copies of newspaper articles and editorials, written by some of our most loyal citizens, who are themselves engaged in defense work, questioning the need of imposing some of these restrictions, and constructively suggesting that instead of their being helpful in the war and defense effort, they are likely to result in an undermining of public morale as we settle down to the somber, serious and distressing work of a long and bitter war. The need of the people, through the seriousness and sorrow of war, for occasional diversion and relaxation as helpful to them in the performance of their duties, is emphasized. It is said that England found it necessary, in the interest of civilian morale, to reopen and extend football schedules, boxing matches, sporting tournaments, and the running of horse races, at which large crowds, sometimes as high as 200,000 or more, were gathered, even during the seasons when England was being bombed and threatened with invasion. In view of the fact that upon the insistence of the General in command of the United States Army in California, the Tournament of Roses and the Rosebowl Football Game on January 1st, and similar events scheduled for the early part of this month, were canceled, and Santa Anita horse racing, scheduled for this season, was prohibited, and many similar events have been banned, the question

is asked, "Must we start this long, hard war under a blanket order canceling diversion and entertainment events entirely for weeks and even months in advance, or would it not be possible instead to establish a policy of canceling events on any particular day or days when in the opinion of military authorities such action would seem to be necessary?"

California is known as the paradise of tourists, as well as of residents, as a natural playground and place of diversion because of its exceptional climate and diversity of recreational environments. The conduct of recreational and entertainment events constitutes a large part of the business and economy of this State. Their blanket suppression, therefore, not only prevents the diversions and recreations which are considered important to the morale of the people, but seriously destroys many legitimate businesses and displaces from employment thousands upon thousands of people whose living depends upon their employment in connection with such events. This situation, therefore, becomes the deep concern and requires the most serious consideration of the Governor and other civil authorities.

General John L. DeWitt, Commanding General, Western Defense Command and Fourth Army, whom I admire as an able General, thoroughly sensing the great responsibility of his position and determined in his alertness to see that the forces under his command shall be moved with dispatch and efficiency, and to prevent perils which they are constituted to guard against, I feel sure also fully considers these civilian upsets which result from military requirements. Yesterday I held a two-hour conference with General DeWitt in the Governor's office at Sacramento, at which I fully discussed this subject with him. We had before us the many communications received by me from citizens of various parts of the State, and he had similar communications sent directly to him, raising the questions above mentioned as to the necessity for comprehensive and rigid restrictions of these events. In this conference General DeWitt showed his appreciation of the seriousness of these military requirements of the civilian population and their effect upon business and employment. He expressed his desire to avoid or minimize them as much as possible, consistent with the prompt movement of troops and defense and war necessities. Much information received from General DeWitt in this conference is of a nature which can not be broadcast, but this much can be stated: that within the combat zone, which is a strip extending one hundred miles inland along the entire coast of California, the use of the highways in the movement of troops and materials of war is constantly required. Without any special events gathering tens of thousands of people going to and from such events and making the traffic jams incident thereto, normal traffic conditions interfere with the movement of troops and war materials. If additional interference and obstructions by events are permitted causing long traffic congestions in and near the combat zone and its approaches, our whole war effort is obstructed and interfered with. Santa Anita and the Hollywood Park race tracks are within this combat zone, and so are many other places at which events are usually held, attended by hugh crowds, heavily taxing the main highways and arteries of traffic and transportation. As an illustration of the interference of such events with the movement of troops

and traffic in war materials, attention is called to the serious condition caused by horse racing at Tia Juana in Lower California.

Thousands upon thousands of Californians are congesting the highways with traffic in going to and from these races; highways, in the combat zone, which are needed every day in the movement of military forces and war supplies. I take this occasion to ask Californians during this emergency not to use the highways in going to and from races at Tia Juana. Surely all will be willing to discontinue occupying the highways to attend these horse races at Tia Juana when they realize their interference with the serious work of this total war. If this is not voluntarily discontinued, then steps will probably be taken by international arrangements to prevent the crossing of the Mexican border for this diversion.

Within the combat zone, restrictions against events at which people gather in excess of a few thousand at one time, is, according to General DeWitt's opinion, necessary, and such restrictions may be anticipated for an indefinite period. Outside the combat zone, that is to say, in the interior and to the eastern boundary of California, restrictions will not be as rigid. County fairs, festivals and similar events, at which as high as fifteen or twenty thousand or more people gather at one time, may be permitted. But in all such cases that largely depends upon the location of the event as it may affect troop movements or other military requirements at the time. It is, therefore, important to have clearances for such events before completion of preparations for them.

It is not only the delays and obstructions of traffic within the combat zone which call for such restrictions, but some events in some places may be banned for the protection of the people attending them against the perils of possible plans of fifth columnist activities, sabotage, bombing, fire alarms, and other forms of terrorism and danger to life caused by the enemy.

General DeWitt assures me that conditions here requiring such restrictions as have been or may be made, are not comparable with conditions in England—that the physical conditions and traffic problems there are entirely unlike those we have here on the West Coast; and that lack of restrictions against the holding of races and similar events in England are not a tenable argument against such restrictions here.

It should be known throughout California and throughout the Nation that the civilian and the military authorities are doing everything within their power to make it safe to be in California, and that such restrictions and interferences with civilian activities are taken to assure the safety of life in California. Surely if anyone desiring to come to California during the war period did not have confidence that all authorities, military and civil, were looking out and on the alert for the protection of the people of this State from injury, and for the protection of the State against invasion in any form, they would be least likely to feel safe in coming to California.

It is inevitable that during adjustments, as we settle down to the serious business of a long war, misunderstanding, misinformation and disruptions of normal activities will occur; but readjustments and

clearer understanding will gradually be brought about, until the minimum of disturbance and sacrifice to the diversions and businesses of the people incident thereto will be accomplished.

Next Wednesday evening, at this same time, I will speak of the problem of dealing with our Japanese and other alien enemies in California, which I also discussed at length with General DeWitt, and which I am taking up with the Department of Justice of the United States. Today I issued a proclamation pursuant to the proclamation issued by President Roosevelt on January 14th, requiring all Japanese, Germans and Italians fourteen years of age or over, who are not citizens of the United States, to secure certificates of identification and register for identification during the period February 2d through February 7th, next. This is our first step in the direction of having all alien enemies identified and kept under surveillance.

I thank you and bid you good night.

REGISTRATION OF ENEMY ALIENS

Radio address given over California Radio System, February 4, 1942

My Fellow Citizens

With the registration and identification of alien enemies in California, which is now being accomplished and will be completed by the latter part of this month, plans are being considered for the disposition of all alien enemies in a manner that will assure protection against possible sabotage or fifth column activities, and at the same time protect all within that classification and all who are racially related to them from injury or unjust treatment. The classification of alien enemies necessarily includes all Japanese who are not now and who can not become American citizens, and all Italian and German residents who are not American citizens. These classifications necessarily include people who are entirely loyal to the United States, many of them being refugees who have escaped to this land of liberty from the tyranny, barbarisms and cruelties of Axis rule in their native lands, and are ready to fight to their death against the Axis powers. With the registration and identification of all who come within the classification of alien enemies, it is believed that those who are of Italian or German extraction can be also identified as to their loyalty or disloyalty much easier than such identification as to loyalty or disloyalty can be determined among the Japanese aliens and their relatives who are born American citizens. All Japanese people, I believe, will recognize this fact. And all Japanese aliens and citizens must realize that plans are absolutely necessary for protection against all possible enemies from within our borders. All loyal people within that classification should cooperate in the execution of such plans, and thus manifest their absolute loyalty regardless of incidental hardships or inconveniences.

The fact that our immediate conflict of arms is with Japan; the fact that the largest proportion of the Japanese population in the United States resides in California, and the difficulty which Japanese themselves recognize of determining, among Japanese aliens and citizens, where loyalties and disloyalties to this country exist, present a special defense problem in planning for the proper disposition of alien Japanese and their relatives who are American citizens.

Immediately after the treacherous Japanese attack on Pearl Harbor, which many Japanese citizens loudly condemned, I made the following announcement to all loyal American citizens of Japanese ancestry: I quote:

"The war against Japan places you in a most difficult situation. On the one hand you can so easily, and through no fault of your own, be made the objects of unfair discrimination or even of bodily harm by other over-zealous citizens who, because of their hatred of the Japanese Government and their distrust of Japanese in this situation, feel compelled to vent that hatred and distrust upon any Japanese racials with whom they come in contact.

"On the other hand, as loyal Americans, you are anxious to give every support to our government in the war against Japan. And very

naturally and very properly, you want your loyalty and your services now to be recognized and accepted for their true values.

"As I view it, you are in position to render extraordinary and unique services which could not possibly be rendered by those of other races. You can render unique services to our military and naval intelligence departments, as well as the Federal Bureau of Investigation. You can help public officials in dealing with noncitizen Japanese racials. And you can help solve the general problem of production by working hard at your usual daily tasks.

"As for those of the Japanese race who are or may be disloyal to our country, and who may engage in sabotage or fifth column activities, I am reminding the citizens of California that although their help is wanted in apprehending such persons, their arrest, restraint and punishment are the business of the FBI and military, naval and civil authorities, and not the business of lay citizens."

And I called upon all citizens of California to exercise the virtues of fairness, restraint and forbearance in their contacts and dealings with the Japanese.

But it is known that there are Japanese residents of California who have sought to aid our Japanese enemy by way of communicating information, or who have shown indications of preparation for fifth column activities. How far-reaching that may be, it is not known, and it is impossible, in the very nature of things, to determine. Therefore, it becomes absolutely necessary that comprehensive and effective measures be taken for security against possible sabotage and other fifth column activities by the Japanese in California. I am sure that all loyal Japanese will understand this and will be willing to manifest and prove their loyalty by cooperating in the perfection and execution of plans that will assure this protection to our State and Nation, as well as for their own safety from unfair and abusive treatment which might be difficult to restrain if such measures of protection were not adopted. I have received assurances from many leading Japanese residents of their desire to thus manifest their loyalty.

On Monday of this week, in the Governor's office at Sacramento, I met with General DeWitt of the Western Army Command; Thomas B. Clark, representing the Attorney General of the United States and the FBI; J. M. Thompson, representing the Department of Agriculture of the United States; W. J. Cecil, Director of the Department of Agriculture of California; and Adjutant General J. O. Donovan of the California State Guard, for the purpose of discussing particularly this problem of the Japanese population and developing plans for protection against any menace to defense and civilian safety from the large population of Japanese within our borders.

I want all loyal Japanese citizens to know that this problem and the development of plans for its solution were approached by all of us with the considerations for their loyalty, indicated in my announcements above-mentioned, and that they will be called upon to manifest their loyalties in a real and most convincing manner by cooperating and aiding in carrying out such plans as may be adopted, and by making real sacrifices to that end. Many of the Japanese race are serving in the United States Army and may even now be on the front line of combat against the Japanese Government forces. Surely those loyal Japanese

citizens who are not in the combat forces should be willing to adjust their lives to meet any requirements considered necessary for their own protection, for civilian protection generally, for national defense, and for the winning of the war.

It so happens that about three-fourths of the distributors of agricultural foodstuffs in California, heretofore licensed by the Department of Agriculture of this State, are Japanese, and a large part, if not most of them, are alien Japanese. Such licensees have had access to military and naval base areas and vital defense production plants. It has been deemed necessary to revoke such licenses and deny the issuance of new licenses to any such alien enemies, and to investigate and use discretion in issuing licenses to any of the Japanese produce distributors. It so happens, also, that agricultural production, and particularly of foodstuffs so important to maintain and to increase as a part of the program of production of food for victory of the Department of Agriculture, is very efficiently carried on and performed by Japanese. To lose the benefit of this Japanese labor in agricultural production would be a serious loss to our war economy. That fact also is taken into considerations in plans for regulating the activities of the Japanese.

The fact that most of such agricultural production is within what is defined as the combat zone of California; that is to say, a strip extending inland for a hundred miles from the seashore, makes this phase of the problem most difficult. The Army high command has determined, as a necessary measure of safety, that all alien enemies must be removed from the greater part, if not all, of this combat zone, and the Attorney General of the United States is now designating specific areas within the combat zone from which removals are now taking place. But obviously this is not considered sufficient protection, either by the high command of the Army or by me and other State governmental officials, or by the Department of Justice of the United States. And California citizens generally are naturally aroused and alarmed as to the possibility of sabotage and organized fifth column Japanese activities in any area where large numbers of Japanese reside. Hundreds of letters have been received by me from citizens, manifesting this alarm, but without hysteria; showing only constructive concern that proper steps shall be taken to prevent trouble and injury from and to this racial group. Therefore the necessity of comprehensive plans with reference to the Japanese population for the duration of the war.

At our conference on Monday, general plans were agreed upon for the movement and placement of the entire adult Japanese population in California at productive and useful employment within the borders of our State, and under such surveillance and protection for themselves and the State and Nation as shall be deemed necessary. A survey and census, started over a month ago by our State Department of Agriculture, will soon be completed, which will show the precise status (as to citizenship, relationship, location, occupation, and other pertinent information), of every adult Japanese occupant of farm lands. This information, together with the registrations required by the Federal Government, will enable us to know our Japanese population and where they are; what they are doing, and how their services can be utilized to help win the war. A survey is also being made by our State Department of Agriculture of the localities in which agricultural production can

be carried on with Japanese labor without encroachment upon the restricted areas within the combat zone. All of this information will be speedily prepared for a further conference, soon to be held, by the same representatives of the Army, the Department of Justice, the United States Department of Agriculture, our State Director of Agriculture, the Adjutant General and myself, to definitely determine upon specific plans for comprehensively locating and regulating the activities of our adult Japanese population for the duration of the war. Such plans, we believe, are the most feasible for meeting this problem, both from the standpoint of State and national defense and from the standpoint of fairness to the Japanese people themselves. We believe that such plans as finally worked out and put into effect will prevent the necessity of considering the drastic alternative of responding to the demand, which is quite general in the State as well as throughout the Nation, that the entire adult Japanese population be removed and concentrated in the interior of the United States.

It is obvious, therefore, that all loyal Japanese citizens must, when called upon, show their loyalty in cooperating in the execution of such plans when they are finally determined upon and put into operation.

I expect in another broadcast, at an early date, to be able to be more specific in reporting the progress of this undertaking.

I thank you and bid you good night.

THE BROTHERHOOD OF MAN

*Address given before the conference of Christians and Jews,
Los Angeles, February 13, 1942*

In spite of times that try men's souls as never before in the history of this country and the world, the American people have not yet begun to lose their faith in the American way of life. It is still the only way of life for America—indeed, for the world. They believe this so deeply that they are giving their sons to die for this imperishable ideal, which Lincoln's birthday in our Nation rekindles each year as the last best hope for mankind. To build on this earth a real brotherhood of nations is Americanism.

For this solemn reason alone, I have set aside this Friday, now immediately following the holiday that closed the Governor's office yesterday in Honor of the Great Emancipator, as the official occasion to mark observance throughout this State of National Brotherhood Week, ending February 22d, on the Birthday of the Father of our Country, whose leadership laid the foundations of brotherhood and peace by services so notable that the whole world pays tribute now to George Washington as the cornerstone of American Patriotism in the temple of Liberty and Human Rights no matter what form of religion we may (or may not) profess.

As Lincoln said, it is altogether fitting that we should pause in this hour of deepening crisis to pay tribute to the ideal of human brotherhood as the only thing worth while in the grand struggle for human existence and survival that now tragically involves our entire world and sends us back to Divine Providence for guidance and power to win the war and win the peace so that our sons and daughters may enjoy the American Way of Life, which is the way of Brotherhood under Law and Liberty and not enslavement. The souls of men and women and children under tyrants, with no souls and no laws of man, are worth preserving from beasts that only live to kill.

When the first bomb falls in this officially designated theatre of war, Californians will be taught the first law of brotherhood for they will have to learn that—We are Our Brother's Keeper.

War will teach us that. Civilization should have taught us this saving truth. All our sons and daughters should have practiced this every day. Then there would have been no need to set aside a week each year, as has been done for nine years, to remind man that he is his brother's keeper. We would have known that truth and it would have set the world free and there would be no Singapore today to mock the poor substitute for justice that nations have produced since the Armistice and called it International Brotherhood.

I am grateful, in these busy days, that the Conference of Jews and Christians, founded by Dr. Everett Clinchy after his return from war experiences in France, has lead the way in America in cutting through the barbed wire of intolerance and racial hatreds. I am profoundly stirred to dream how much different the world would be at this hour had this movement for International Brotherhood, founded in 1928,

under the auspices of such leaders in the world of men as Former Chief Justice Hughes and Secretary of the War Newton D. Baker, become the way of life for the now embattled nations of the world.

The veil of the temple has been rent in twain. There is no ruling spirit of justice. There is no dominantly effective peace. There is no unshackled liberty under international law for there is only the law of war until Victory comes. There is no brotherhood—but there is a faith that never dies in Brotherhood when the dawn of peace breaks and the Order of Man begins in a new free world. Cost what it may in time and blood, and ceaseless sacrifice, the American Way of Life by Brotherhood and Freedom will never die in America.

This impressive assembly of leaders in the field of Religion, Morale, Law, Education and Social Service in the Community, State and Nation inspires me to congratulate Mr. Thomas Evans of the University Religious Conference, at the University of California at Los Angeles, for what I must consider a most impressive movement in the field of Organic Religious Brotherhood and Administration in California, and perhaps in the Nation, not to omit the somewhat more recently created Church and County Coordination Council under Dr. George Gleason, as Executive Secretary. If I include the National Open Parish in Pasadena, under whose arranging auspices this morning's events have been furthered (by transferring their program to this office from Pasadena), I shall have grouped three programs in the Applied Brotherhood Field that have the common factor of no ecclesiastical line, no barbed wire barriers of sect or doctrine or faith. The one ideal of an American Way of Brotherhood, as the true goal of all mankind, unites such American Religious policies of Church and State cooperation.

There will never be any problem of Church and State to tear our Country apart as long as such successful experiments as these, and others that exist, continue their beneficent missions, joining Protestants, Catholics and Jews, and those of all faiths, in the spiritual solidarity of American Brotherhood.

Glorious as these achievements are, the State of California finds itself compelled in the person of the Governor of the State to add one more chapter to the book on Applied Brotherhood that we have been editing here in California.

I refer to the fact that today also marks the first formal meeting of the three eminent commissioners of the Youth Correction Authority to inaugurate a procedure in American Brotherhood techniques that bases itself on an act of the Legislature, passed unanimously by both houses, and signed by the Governor, designed to launch California as the first State in the United States to pass legislation for Youth Correction so far-reaching in corrective social and spiritual outlook for youth that experts have been heard to say that it is the most outstanding piece of legislation in this field that American Legal Authority has yet created.

May I thank you citizens for the part you are playing in building spiritual bridges across the violent torrents of human passions and prejudices that divide the races of men, and may I pledge my sincere help in this work of National Defense and California Morale, until victory comes.

TO THE PEOPLE OF THE PHILIPPINES

*Radio broadcast over the Government short wave station, KGEL,
February 13, 1942*

I welcome this opportunity to express to you loyal and patriotic men and women of the great Commonwealth of the Philippines my sincere congratulations and those of the people of California for the valiant fight you are waging against an uncivilized foe.

Your fight against Japanese aggression is magnificent. Your courage and determination has won for you the admiration of the free peoples of the world.

The fearless and brilliant leadership of General MacArthur and his staff at Corregidor will continue to serve as an inspiration to you to fight on until the fruits of victory are yours to enjoy.

Do not falter. Fight! Fight! Fight!

Remember this, please. Japan can not win the war.

Remember too, your voices will be heard at the peace table when defeated Japan, defeated Germany, and defeated Italy, beg our great President, Franklin Delano Roosevelt, for terms of peace.

IN MEMORIAM

*Address at services honoring Long Beach residents who lost their lives at
Pearl Harbor, Long Beach Auditorium, February 22, 1942*

The tragedy of Pearl Harbor, from the shock of which we have not yet recovered, will go down in history and be remembered by future generations as America's first great sacrifice in this world war—a sacrifice due to our naivete in the path of murderous outlaws—our failure to understand the treachery of barbarism.

Notwithstanding the object lessons in deception, deviltry and crime, with which Hitler has shocked the world in making his murderous assaults upon unsuspecting nations with whom he pretended to want peace—actual experience with the same kind of fiendishness seems to have been required to awaken the peace loving, good neighbor people of America to the necessity of being on the alert for stabs in the back. That is the method by which wars are started and conducted by that triumverate of hellishness known as the Axis Powers.

Therefore, as we meet to pay our tribute to the victims of the Pearl Harbor disaster and, following in its wake and as a consequence, those who make the supreme sacrifice in defense of the Philippines and the East Indies, we can truthfully say they did not die in vain.

This may be little solace to the families and relatives of these brave and true American soldiers and sailors, whose loss our whole Nation mourns, but whose lives it can not restore.

But circumstance, fate, their own patriotism, their own bravery, determined their destiny as the human sacrifices with which their country was suddenly catapulted into a war for its own life and for the survival of civilization.

And to the families, relatives and friends of those boys and men for whom we here bow our heads in humiliation and sorrow, there may be some solace in this rationalization; that their precious lives were not spared only to be later destroyed along with the lives of thousands of other American soldiers, sailors and flyers in the course of the long, grim, sanguinary, bloody war we now must wage until the Axis Powers shall have been destroyed, Japan shall have been conquered, and Pearl Harbor shall have been avenged.

Life would not be worth the living if we should fail to be victorious in this purpose. There is no middle or appeasement ground—either we and our allied nations will destroy this hydra-headed monster of crime and iniquity, with the visages of Hitler, Mussolini and the Nippon, or they will destroy us. Our fight has just begun as we engage in these services for our dead in the battle of the Pacific.

It is no time for us now to indulge in complaints and criticisms of mistakes that have been made; of our failure to be on the alert. It serves no purpose to dwell on the obstructions to preparedness for action by erstwhile isolationists, or upon the delays to our ultimate victory, caused by the complacent attitude of the "business as usual" people who have said "it can't happen here."

It is no time for partisans to be pestering their animosities against those in governmental authority who were called war mongers when they said it can and in all probability would happen here—let us be ready. The fact is, it has happened here before we are ready.

There should be no further need for preaching unity since Pearl Harbor and the occasion of these memorial services. The very instinct of self-preservation requires of all Americans unity of sentiment, unity of purpose, unity of effort, unity of action for victory in this terrible, total war.

Differences may arise as to methods of procedure, which the good sense of those placed in positions of leadership in military and civilian authority will constructively reconcile or remove. No person or group has any corner either on wisdom or patriotism. And the transparency of self-seeking purposes in the name of patriotism and with pretensions to superior wisdom will become obvious to all thinking citizens.

To the memory of the dead we here eulogize, to those still living only to suffer or to die for the same cause, for freedom of the living and for the salvation of future generations, we all owe every duty, every sacrifice we are called upon to render for the achievement of final victory. That duty, that sacrifice we can not faithfully perform nor can we realize the full benefits of the freedom and democracy for which we are fighting after victory is attained unless we eliminate from our souls those animal instincts of selfishness and greed, which are the basic causes of all wars and human misery.

VICTORY RALLY

*Address given at public ceremonies at Municipal Auditorium, San Francisco,
April 9, 1942*

Never since the birth of our republic has it faced danger of destruction as serious and startling as it faces today. Never since the independence of the United States of America was achieved has there existed so grave a possibility that we could be brought under the domination of a foreign enemy. Never have the fundamental rights of men, which our Nation was constituted to establish and protect, been so endangered; never were the civil liberties, the freedom and democracy of the American people, who for one hundred and sixty-five years have carried the torch of progress for the rest of the world, been so seriously threatened as they are today. Never before has the world experienced a total war in which we are now fighting for our life as a Nation and our lives as free men and women against the aggressions of the powerful military forces of the world's organized outlaws and gangsters, known as the Axis Powers, set out to enslave us and the rest of mankind. No previous international or internal conflict which has involved our country in war is comparable to our present involvement. There may have been room and rationalization for pacifism and indifference on the part of many who could not be counted disloyal in connection with previous wars, but there is absolutely no room for a single citizen of the United States of America to be a dissident or a pacifist in this total war, unless as a conscientious objector, he prefers chains and slavery to freedom and decency.

This is indeed a people's war for the right to life, liberty and the pursuit of happiness. This is no war for foreign markets for American capitalists; it is no war to protect property rights or interests of any American enterprisers in foreign lands. It is no war for territory or imperialistic purposes that we are fighting, and it is no war for the benefit of arms and munition makers. It is the war of every man, woman and child in America; the war of the common people and their government to maintain their fundamental human rights and social gains, for which all the sacrifices of the past have been made. Therefore, in the very nature of this war, in which all Americans now find themselves, there must be unity. And with unity of sentiment there must be unity of action.

We meet here tonight in a victory rally, in California with its thousand miles of Pacific coast line, which is already a part of the battle of the Pacific and which may be the actual theatre of all of the horrors of war before we fully realize it. We meet in the great American city of San Francisco, perhaps the most exposed and the most strategic western American base in the war of the Pacific. Since we were attacked at Pearl Harbor on December 7th, last, we have witnessed the advances of the efficient military machine of the enemy, as one after another of the dominions and territories of our allies have fallen under its domination, and we have noticed that even up until

their citadels were bombarded by the enemy, their people were apathetic. They could not believe they could be taken.

Today Bataan was forced to finally surrender. Corregidor can not always hold out. The Philippines are solidly in the hands of the Japs. The gallant General MacArthur and all of his organization and all of the forces than can be furnished him, will, like the inadequate forces in the Philippines, carry on the war from Australia with every ounce of effort they possess, and with the heroism characteristic of American soldiers. But Australia and New Zealand, too, may be overwhelmed and taken. When the attack will occur on California or elsewhere on this west coast of America, who knows? Our enemies; and they do not tell us. Of course, we immediately think of the difficulties of the long supply lines to support attacks on our coast and the difficulties of maintaining an invading force, and we naturally and properly think of and rely upon the combat forces of our country on land and sea and in the air, organized, stationed and programmed to meet the enemy. But we can not have the kind of forceful resistance, nor can we carry on the aggressive and offensive warfare for victory, which we must relentlessly pursue, without the unity, the aroused enthusiasm, the determination, and the united action of every man, woman and child of America. The main thought in the minds of all of us should be "What can we do to help and hasten our winning the war? Where can we best serve? What contributions can we make? What sacrifices on our part are needed?"

We may observe that there are some who have such an amount of selfishness and greed in their make-up—that their chief concern is in making all the profits they can out of this life-and-death struggle of their country. Let us brand them as saboteurs, if not traitors, but do not let any such attitudes fix the standards of our loyalty and patriotism in support of the determination of the United States of America to carry this war to victory with such aggressiveness as shall hasten the day when the forces of the Axis Powers shall be crushed and completely conquered and their leaders executed in their own capitol.

California State and local governments, their State and local councils of defense, the State Guard, State Militia organizations, and local police forces will be ready to do their duty in every condition of this war. Organization and preparations for any and all emergencies are going forward with a consciousness on our part that nothing can be left undone that needs doing, nor can we delay doing the things needed to be done to be in readiness for actual warfare here. This preparation calls for unity and the people's enthusiastic cooperation, which is confidently relied upon. And the rest of the Nation may confidently rely upon California to perform her full duty in the important geographical position she holds in this war.

SAN QUENTIN ON THE AIR

*Excerpts from weekly radio program sponsored by inmates of San Quentin,
Mutual Network, April 19, 1942*

Introduction of Governor Olson by Warden Clinton T. Duffy:

Good evening ladies and gentlemen. I would like to take this opportunity to extend to you my personal thanks for your letters—expressing approval of the work we are doing to aid in rehabilitating inmates of this institution. There are many phases of the rehabilitation program which we have been unable to touch upon during the past thirteen weeks. I would greatly appreciate your comments, by a card or letter, regarding the continuation of "San Quentin on the Air." The programs for rehabilitation of the men within penal institutions of this State have been successfully carried out through the efforts of our Governor. A great humanitarian possessed of a spirit of justice, he has revolutionized the penal set-up of California. We are honored to have him as our guest on this evening's broadcast. I present the Honorable Culbert L. Olson, Governor of California.

Warden Duffy, inmates of San Quentin, Folsom, Chino and Tehachapi and people of California: The series of radio broadcasts which have been conducted here in San Quentin by the inmates themselves, giving opportunity for their self-expression, exhibiting their talents for cultural entertainment, telling the outside world of the useful work in which they are employed and what they are doing for their own rehabilitation and redemption to society, is symbolic of the civilized policies which we in California have adopted in the administration of our penal institutions. Those policies are not to convert these prisons into anything other than penal institutions, but to maintain them as such in a manner which will accomplish the purpose of penal institutions. The most important purpose is the reform and rehabilitation of prisoners—their restoration as useful and respected members of society. Surely this purpose can not be served by hatred on the part of prison management toward their prisoners, nor by ignorant, brutal and inhuman methods of enforcing discipline. That is the reason which compelled me to make a complete change of management, methods and policies in the conduct of the prisons of California. There are now no black holes or dungeons, there are no more beatings, no clubbings and no more shooting without provocation. And no longer does there obtain in this prison the psychology of hate, suspicion, distrust and lack of cooperative effort on the part of the prisoners which such methods produced. On the contrary, there is morale, a spirit of cooperation, a willingness to obey the rules of discipline, desire to perform all work assigned and to over-work in the production of war materials, which is inspiring. There is a confidence in the concern of the administration for the individual cases of the inmates, for their conduct and disposition to overcome the weaknesses which spelled their downfall and for their efforts to regain their place in society and to live as law abiding and respected citizens. That hope, that effort, that striving for redemption must not

be crushed. It must be encouraged and aided and given every opportunity to grow into full fruition and realization. After all, prisoners and free men—all of us belong to the same family—the human family, which we call society. No one can fall so low as not to still remain a part of the brotherhood of man and he should know that his family longs for and welcomes with an outstretched, aiding hand his restoration to the right kind of life. But that restoration is for you prisoners to accomplish with the rehabilitation opportunities given under present prison policies and the system of parole which has proved, through the years, its outstanding success in the aid of restoring to an upright, honorable life, so many convicted of crime. It is unfortunate that from persons and circles which should be better informed, we notice from time to time criticism aimed to destroy the parole system and to that end publicity of untruths or half-truths about individual cases on parole. It is to be hoped that such efforts will end with greater enlightenment on this subject. Let us hope that, in our struggle to attain the true objectives and purposes of organized society and government, we shall find the way to remove causes that breed tendencies toward crime. Thank you and good night.

CALIFORNIA SPORTSMEN

*Address at annual meeting of Fish and Game Protective Association,
Porterville, April 20, 1942*

I am very happy for the opportunity of meeting with the Porterville Fish and Game Protective Association and to have participated with its members and friends in their annual get-together.

The natural resources of the State of California are its most cherished heritage, and I have zealously guarded them for the people of the State of California. They are given to us in trust for they belong not only to this generation but to those who come after us. This is a sacred trust. The impact of the war upon our natural resources is great. The vulnerability of our forest areas, the habitat of the wildlife, has been the subject of great concern on the part of the officials charged with the preservation of peace and tranquility in our State.

I need not point out to you the great fire hazard that exists after the rainy season ceases, and I am glad to report that having anticipated this hazard we have done and are doing all within the power of the State Government to take preventive measures to either eliminate the hazard or reduce the ravages of any fires that do get started to a minimum.

The State Council of Defense, in connection with the Department of Natural Resources, has made a thorough study and has produced a plan that is feasible and workable. It needs, however, the cooperation of the people of the localities in which fire hazard exists and of the Federal Government to make it fully effective. The State Government today is endeavoring to acquire the necessary equipment to adequately care for the dangers that can come.

By far from the least of the political divisions in the State of California is that of Fish and Game; the one in which you are primarily interested. I fish and I have hunted, and I know the relaxation both mental and physical that comes to people who go afield to renew their contacts with Nature. The right to hunt, the right to fish are inherent in our democratic system of government. They must be guarded and preserved for our people and future generations. My pledge to you is that they will be safeguarded and preserved, and in this I wish to point the administration of laws pertaining to fish and game since my advent to the Governorship.

I appointed a Fish and Game Commission, the members of which are well known to you. They are Mr. Nate F. Milnor, Mr. Edwin L. Carty, Mr. Germain Bulcke, Mr. Lee F. Payne, and Mr. Ben Williams. These men are all ardent and sincere sportsmen. They know all of the problems that confront sportsmen. They are honest men, and to them I have designated the administration of fish and game laws. Having given them a job to do and having satisfied myself that they are doing it, I have been content to let them do that job. They know the intimate needs of you sportsmen and that is why I have accepted

their recommendations without reservations. Their accomplishments have fully justified the trust that I have placed in them.

During the last year the Division of Fish and Game has brought into production two great fish hatcheries, innovations in fish cultural work. One is at Hot Creek in Inyo County and the other at Fillmore in Ventura County. These hatcheries, in my estimation, are fitting testimonials to what the Fish and Game Commission has accomplished.

It has been the policy of the Commission to bring hunting and fishing closer to the people of the State, to plant the streams and to repopulate the uplands and forests with game so that it is readily available to he who would go afield to seek it. This program is meeting with success.

Few people in California know that our State is the foremost State in the Union in commercial fishery products. Our coastal waters abound in fish that have become an essential part of the food supply of our Nation. The byproducts of this fishery are indispensable to agriculture and to industry. There has heretofore been some conflict between the interests of the sportsmen and the commercial fishermen, but I think that through education and a mutual understanding of their respective problems this controversy is rapidly dissipating itself into mist. The issues are not great and they can be readily reconciled. The present Fish and Game Commission has done much to bring about a better understanding between the two groups, based upon education and common sense.

The Division of Fish and Game, with its efficient and well-trained law enforcement bureau, was called upon as early as December 8th to play a vital role in the defense effort, and it is continuing in that role. These wardens, with an intimate knowledge of their respective territories, are indispensable at this time. The marine wardens of the Division know the inland waters of this State as well as any group and are used in the detection of saboteurs and to prevent the entrance of enemy agents through our coastal areas.

The California Division of Fish and Game has had many serious handicaps to overcome. It has met them intelligently and with vigor. It has been successful in overcoming most of them but in no case has it considered itself licked.

The diversions of water for power and irrigation would deplete our fish if correctives were not applied. The Commission has met the challenge of this problem. It has required stream improvement and fish hatcheries, sometimes the introduction of new species, but it has been successfully met.

The great Central Valley Project would have exterminated our salmon but for the fine work of the Division of Fish and Game in cooperation with the United States Fish and Wildlife Service.

Today we are engaged in total war—devastating, horrible war. A war into which we were plunged by the greed, the avarice and the blood lust of power-drunk nations. We are fighting to preserve our America, our democratic way of life—to preserve the traditions so sacred to all of us.

War—total war—means a drain upon the entire resources of the nations engaged in it. Our sacrifices are great now, but will be greater as time goes on. We will make them in the American way without

flinching or complaint. They will affect our natural resources. We must have timber, we must have oil—minerals—all sacrificed and destroyed. The greatest and most sacred of these is the lives of our young men—men killed in battle—men maimed, broken in soul and body, the derelicts of war.

When sportsmen are called upon to make their contribution, they will do so willingly for they above other groups know and appreciate the heritage of free men. They know that the dictators of Europe and Asia do not allow their subjects to possess arms or to move freely about.

In the defense effort we have a definite place for free men trained in the ways of the great outdoors, men who know how to use firearms and men not afraid to defend their homes and the form of life they cherish.

FLAG DAY—1942

Address broadcast from ceremonies at San Diego, June 14, 1942

My Fellow Citizens.

This year particularly do we realize that the celebration of Flag Day is not merely a perfunctory ceremony. We gather in our respective communities throughout the State and Nation to pay patriotic tribute to the Stars and Stripes because that Flag is the emblem, not only of the beginning and historic achievements of American democracy, but of the promise it represents of still greater achievements. Today it waves aloft as the rallying insignia for the aspirations of all mankind in their confused struggles for a better world; as the inspiration of America's leadership in that struggle, as well as America's determination to maintain that leadership and carry on that struggle to victory. It means democracy, government of, by, and for the people, and it represents all of the sacrifices of life and suffering that have been made by Americans since the Minutemen of Lexington and Concord gave their lives to implant it as the symbol of liberty and democracy in building the foundations of our Republic. It may be truthfully said that abuses have been committed under its protection—abuses of economic liberties, taken by uncontrolled individual selfishness and greed, as well as abuses of the civil liberties which it guarantees. But it remains within the power of the people, with the institutions of democracy under that flag, to correct and prevent its abuses.

No American citizen, standing under that Flag and all that it means, however he may have been neglectful of the obligations it calls upon him to perform in his daily life, in his contact and relationships with his fellow citizens, in civilian or in military service, but who today must be thrilled to the highest point of patriotism and willingness for self-sacrifice as he gazes at the Stars and Stripes. He must now fully realize what that Flag means to him and to the rest of mankind in this war-torn world. The protection of the very life of our Nation and of its people against enslavement by a barbarous military tyranny, as well as the redemption of subjugated peoples who are now suffering under the persecutions, the slavery, and the massacres of that tyranny of brutal aggressors depends upon our carrying that Flag to victory. It is inspiring to realize that our American Flag is now hoisted on the battle fronts of all the world, supported by the soldiers, sailors, marines and flyers of the American Army and Navy, in a life and death struggle for the victory of our cause.

Yesterday we celebrated MacArthur Day in honor and recognition of the valiant and courageous manner in which the men and boys of these American forces have acquitted themselves under the leadership of this gallant American General. But America has just begun to get into condition to fight; aroused at last by being catapulted into the war with the suffering at Pearl Harbor. Unity and action on the part of all the American people has obtained. All-out production to the full capacity of our productive facilities is rapidly progressing. Labor and management are working together. Stoppages from

internal disputes are banned. Amicable and cooperative adjustments have been found in the necessity for the common enthusiastic effort of all. So today we stand under our glorious flag, following it wherever it may lead; following it with assurance that it will lead us and the United Nations to a complete, and, let us hope, an early victory.

This struggle is a total war, engaging the services of the civilian population, not only in producing the materials of war, the food, the supplies, providing for the care of the wounded and the families of the men at the front, but also involving the possibility of the horrors of combat war being visited upon the civilian population, women and children included, with death-dealing bombs and bullets, should the enemy's aggressions reach our shores or our skies. California is a war front in the war of the Pacific. The Japanese are now attacking our close outposts in the Pacific; our very shores of the Territory of Alaska in the north. We look with confidence toward their successful repulsions by our armed forces at these outposts, by our Navy and our Air Force, dependent upon the success and rapidity with which we furnish the arms and maintain the supplies they must have. But all civilians of California must be on the alert, and civilian preparedness for any form of attack must be ready to meet it and its consequences and to give every cooperation and support to the combat forces here on our home front.

As Governor of California, I am proud to say that we are reaching that stage of complete preparedness. It has taken two years, since I first appointed a State Council of Defense in California, to have thoroughly organized our civilian councils of defense in the various counties, cities and communities throughout the State, and their units of volunteer civilian defense and protection. Similar to delays in the manufacture of war materials have there been delays in the Federal Government securing the manufacture and distribution of needed civilian defense equipment, such as fire fighting and bomb extinguishing equipment, gas masks, etc., but they are on their way; in fact, are beginning to come in.

Within the powers given me by the Legislature, I can assure you that the California State Guard, its active troops, now employed in guarding vital facilities and installations against sabotage, as well as its reserve forces, are efficiently organized and in readiness for orders and action, with a high standard of morale and of real patriotism. The numbers of the State Guard proper, both active and reserve forces is limited by the Legislature to a total of approximately 28,000 men and officers. But additional military protection to the civilian population behind the lines of the regular combat forces of the Federal Government in California, is being provided by the organization, which I began some months ago, of units of the California State Militia in each of the counties and communities of the State, both rural and urban. These units, as organized and authorized to bear arms, are being trained by officers of the Guard and of the United States Army for military duty, if and when their services should become necessary for military protection of the homes and families in their respective communities; protection against parachutists and saboteurs or other inflictions which might result to endanger life and property behind the regular combat lines. As guns and ammunition shall become available to the War

Department for that purpose, they will be supplied to these units of the Militia of California, as well as to the State Guard. We anticipate that the total number of enlistments in all of the organized units of the State Militia will reach somewhere between one hundred and two hundred thousand men at an early date. A large proportion of such enlistments have already been made, and their training and drilling are under way.

I am convinced that every citizen of California stands ready to meet and perform his duty with the same courage and effectiveness exemplified by their fellow Americans now on the fighting fronts of the war, and that in any emergency or hazard, all Californians will justify their realization of what that Flag means to them and to their fellow countrymen.

In closing, I wish to express this thought regarding the peace for which we are fighting. We do not want a peace without victory in this war, because the peace we are fighting for can not be had without a complete victory—an unconditional surrender and disarmament of the Axis Powers and their complete submission to the terms and kind of peace that shall be determined by the United States of America and its Allied Nations. That means no negotiated peace with Hitler, Hirohito, and Mussolini, individually or collectively. It means no peace until they are annihilated. When that final victory shall have been won with the strength of America and its determination in this war, then must we find the way to the establishment of an enduring world peace. This may require doing away with worn-out systems, and international competitiveness which breed wars. To accomplish such an enduring peace, institutions which we envision must be constructed with a world order based upon human rights, human needs and the principles of the charter of the Atlantic to be enforced by an association of the democratic nations of the world.

APPRENTICESHIP GRADUATION

*Address delivered at exercises held under the auspices of California
Apprenticeship Council and the Public School Systems of
Los Angeles City and County, Manual Arts
High School, Los Angeles, July 9, 1942*

Mr. Chairman, members of the California Apprenticeship Council, representatives of employer and labor organizations, apprentices and their friends and parents, representatives of the School Districts and Vocational Schools, the Employment Service, the Federal Committee on Apprenticeship, Training Within Industry, and all others who, too, are working upon and aiding in solving our tremendous State and National problem, the production of manpower—and my fellow citizens of California

Tonight we are gathered in the auditorium of the Manual Arts High School in Los Angeles. We are met for the purpose of presenting certificates of journeymanship to more than three hundred young men. Collectively, these young men represent skills in twelve different trades—all essential and vital to our Nation's war effort.

It is indeed fortunate that California in 1939 passed the necessary legislation which has made this apprenticeship program possible.

Under its terms California has already given industry more than a thousand thoroughly skilled workers, and now has more than twelve thousand apprentices throughout the State fitting themselves for all-round journeymanship.

This is an outstanding accomplishment—a real tribute to the policies of the California Apprenticeship Council whose members I, as Governor of the State, have had the privilege to name, and to the administration of these policies under the leadership of Mr. George G. Kidwell, our Director of Industrial Relations, who is the Administrator of Apprenticeship.

We talk so much about apprenticeship. In very simple language let us describe it—it is an applied program of earning while learning.

The rules and regulations for the earning part of apprenticeship are set up by the Apprenticeship Council, and when adopted by a local joint committee equally representing management and labor, with the approval of the Administrator, become effective on the job.

The learning part is carried on jointly on the job where the apprentice under the guidance of a competent journeyman gets his practical experience in all parts of his trade, and in the schools where he receives his related instruction from carefully selected and trained instructors. The related instruction is the jurisdiction of the State and Local Boards of Education under the leadership of Mr. John C. Beswick, Chief of the State Bureau of Trade and Industrial Education.

At the start this was only an idea. The responsibility of your Government was: How to make it work on the job; how to encourage and guide a program that would do two things: (1) give our young people an opportunity to really learn a trade, and (2) provide for the

State and Nation a sufficient number of fully skilled workers to meet the need.

Keep in mind the fact that when we started the work of resolving this idea into actual accomplishment, our Nation was at peace with the world, but foreign dictatorships were threatening. At home we were in the midst of a terrible depression. Millions of people were out of work and rightfully clamoring for jobs. Proportionately speaking, the great amount of the unemployed came within the age brackets of sixteen and twenty-five.

Many social factors then present in California and the United States were similar to conditions which gave rise to the willingness of youth to follow European dictators. By them youth were promised self-respect, jobs and security, and their kind of governments were thus able to enlist in their armies the youth who saw no future for themselves under democracy. We, Americans, didn't believe such promises then—and time has proved our contentions to be correct.

However, we could not afford to have a condition permanently established wherein millions of young people graduating from schools could find neither employment nor any hope for employment. There is nothing more detrimental to the physical and moral make-up of a young person than a condition of helplessness caused by a fruitless search for the means of earning a livelihood.

We do not say that apprentice training will solve the whole youth problem. We submit it as a first step toward the solution of the general economic problem of youth. A brief history and outline should be interesting.

The idea of establishing an orderly and well-regulated program providing for the entrance of young people into skilled trades and their continued guidance and supervision during all the time they serve as apprentices, through the cooperative efforts of Federal and State agencies of government and industrial groups, owes its origin to an Executive Order of President Roosevelt issued in 1934.

It took five years of effort to start the present apprentice training program in California. Two years were actually lost when in 1937 after our Legislature passed the necessary law, it was vetoed. However, the value of the time so spent is best evidenced by the fact that upon the second passage of the California law there were but three dissenting votes in the State Assembly, while in the Senate the vote was unanimous in approval. The theory which made this accomplishment possible was the forthright declaration that the apprentice problem is an industrial problem and should be accepted by industry as its responsibility; I speak of industry as including employer and employee.

With that primary principle recognized and accepted, we were faced with the fact that there was no industrial group so established as to accept the responsibility of leadership in outlining such a program as was needed in our State. It was therefore unanimously agreed that such leadership should be vested in an agency of government selected from those groups upon whose cooperation the institution of a bona fide apprentice training program would depend.

In setting up such an agency the three groups most directly concerned—employer, journeyman, and apprentice—were recognized. We found that each group had some definite opinions against an apprentice

program. Our job, then, was first to define the duties and functions of the California Apprenticeship Council, and thereafter to outline policies to be followed which would eliminate fears predicated upon maladjustments of the past, and at the same time give definite indications of future procedure that would protect and advance the best interests of all parties concerned.

We now have the Shelley-Maloney Apprentice Labor Standards Act of 1939 which, when passed by the Legislature and signed by me, as Governor, became effective September 19th of that year. This California law provides for the appointment of an apprenticeship council. We now have such a council, in operation since October 14, 1939. It comprises four representatives from employer organizations, four from employee organizations, one representing the general public, with the Chief of the Bureau of Trade and Industrial Education and the Director of Industrial Relations added thereto as *ex officio* members. On this council we have men of experience with the problems of the aircraft industry, printing trade, heavy industries, general construction work, shipbuilding, sub-contracting, the automobile and electrical industries, and the general public—a splendid cross section of California's industrial life. I realize that this group had a big job to do.

However, with the enactment of apprenticeship legislation there was no money appropriated to carry on the work. It, therefore, became my privilege as Governor to allocate the necessary funds to carry out the purposes as outlined in the establishment of the California Apprenticeship Council.

In 1941 and again in 1942, due to the war emergency, it was necessary to make further appropriations from the emergency fund in order to carry on the increasing work of that Council and it was my pleasure to make this money available.

I make these statements for the purpose of demonstrating that our desire to help young people has been put into practical operation. The fact that the California Apprenticeship Council, in the work that it has done in the three years of its existence, surpasses the activities of any other State, more than justifies its continuance on an increased scale. Tonight we have the living examples—more than three hundred of them—of why California leads the Nation in the promulgation of apprentice training. Here too we have committees of equal representation from the employer and employee organizations of the various skilled trades in industry. Through the medium of collective bargaining these employer and employee organizations and the Department of Education have cooperated in an harmonious relationship which, in turn, has made possible this splendid demonstration.

There is but one way to produce skilled workers, and that is through the medium of training apprentices. There is but one way to set up such a program so that it is basically sound and workable, and that is by giving full consideration to the problems of the employer, the journeyman, and the apprentice. In California we have pursued that policy.

It is for that reason that in practically every area of our State we have full cooperation of employers and their organizations, employees and their organizations, and the apprentices—all of which, when

added up, means that California is, and has a right to be, proud of its accomplishments in the field of apprentice training.

To extend such a program, predicated upon mutual interests, to every trade in every area of the State and to encourage such activity is a worthy ambition of any good government. It is definitely a part of the present administration of the State of California, and its purpose with respect to apprentice training in the State.

Today more than one hundred sixty groups, extending from San Diego to Eureka, have already adopted apprentice labor standards. It is under the provisions of these standards that the twelve thousand apprentices are now working. More than six thousand of them have been indentured up to now. This year we will graduate another thousand to be added to the thousand already working as journeymen, and as many more each year thereafter as industry can absorb—as many more as will guarantee California's part of the Nation's demand for skilled workers—and that part is one of tremendous proportions.

To meet the ordinary need of our State and Nation, we prepared in peace time—now we have a live and growing program fully cooperating and aiding in our National Emergency.

Today California has more war contracts to fill than any other state in the Nation. California can—and must—and will meet its every obligation for the salvation of our Nation.

We must realize that the very life of our democracy—everything in life that we hold most dear—is at stake in this total war which has engulfed us.

The American way of life is challenged—we must meet that challenge and overwhelmingly defeat those who dare to make that challenge.

We repeat the words of Abraham Lincoln: "That this Government of the people, for the people and by the people shall not perish from the earth."

As Americans we know what we are fighting for—and fight we will. We know what we are working for—and work we will to the utmost.

We are at war. The enemy is cunning, cruel, ruthless and, worse yet, powerful. We can and will whip that enemy. That is an American job for all Americans. Several millions of Americans will make up our actual armed forces—many more millions must produce the airplanes, tanks, guns, ammunition, etc. which our armed forces must have when engaged in actual combat. Man to man, our American fighting forces are the best; but they must be equipped with the most and best of everything, in all the modern implements of war. The latter is the grave responsibility of those of us who remain in private and civilian life.

The principal war arenas are now many miles from our American shores. We must keep them there, or else they will come here. In my opinion, failure on our part in the industrial and productive fields is an open invitation for them to come.

To me, therefore, it is just plain common sense, let alone our patriotic duty, to get a full complement of the implements of war into the hands of our American armed forces and of our allies, and to deliver them in full requirement in every particular as to sufficiency

in supply and mastery in make. Our men must cross the oceans—so must our supplies—we need ships, and lots of them.

For California our biggest job is the fabrication and outfitting of ships—air ships and ocean ships. Less in size but equally important is the manufacture of the parts that go into those ships. In due proportion we also have other war production problems. Generally speaking, however, our production problem is the same as that in every other section of the Nation, that is, to get the proper number of the proper kind of workmen together, with the proper amount of the proper kind of material, at the proper time and the proper place, and thereafter to increase and keep on increasing till we reach the absolute ultimate in production.

In addition to the actual building and manufacturing of all the tools and implements of war we must build the plants where the manufacturing is done; we must build the cantonments and barracks for our armed forces; we must build the buildings to house our war workers; we must build the docks and wharves and piers to berth our ships and load and land our men and supplies; we must build our hospitals to care for our injured men.

We must build and we must have builders. Building builders is a training program.

We must gird ourselves to the utmost. Of the things we should do—first and foremost, we should indoctrinate ourselves, both in mind and heart, on what America means to us; we should fill ourselves to overflowing with the understanding of the four freedoms comprising our American way of life and our objective in our war for victory and to win the peace: (1) freedom of speech; (2) freedom of religion; (3) freedom from want; (4) freedom from fear.

By our deeds we shall preserve these freedoms for ourselves and our posterity. Thus we shall fit our work to the facts that the production of manpower to meet the Nation's need spells the preservation of that Nation; that our efforts in this work shall transcend our every personal thought and desire; that our right of life, liberty, and the pursuit of happiness in the future depends entirely upon our efforts now; that while some men are making the supreme sacrifice of life itself, the rest of us should not and must not fail them in their needs for transportation and equipment; that no one individual, no one group, and no one section of the Nation can alone save itself; that we must save it all for all of us; that each one must do his full share of work and sacrifice; that all of us must learn how to live with one another, rather than try to profit at the other fellow's expense; that we are in this war as a whole Nation, and we must win it as such; that our Nation and its needs must be our first consideration; that management and labor can and should preserve all of their rights and privileges when cooperating in concurrence with these thoughts.

I have just tried to outline some of the things that we must do in order to turn our present national emergency into a permanent national victory.

Our Nation is crying its need for skilled workers—and lots of them.

We need ships now. We need airplanes now. We need tanks now. We need everything now. Time is of the essence.

Apprenticeship is basic, is essential, is necessary, is mandatory to produce a fully skilled worker. But we must do more than that, and we must do it now. We must produce more and then still more, and the time element is still now. Our Nation has done something about that, and more is being done.

As a part of our national activities we have Training Within Industry. The underlying purpose of this activity is: To assist war industries to meet their manpower needs by training within industry each worker to make the fullest use of his best skill up to the maximum of his individual ability, thereby enabling production to keep pace with war demands.

Broadly speaking the actual production manpower needed in industry comes within the following brackets:

1. Supervisors (Foremen, Quartermen, Leadmen, etc.)
2. Skilled Journeymen
3. Converted Tradesmen
4. Trainees (sometimes called Specialists or Operators)
5. Apprentices
6. Helpers and Laborers

Training Within Industry particularly deals with industry's own training responsibilities. It is accomplished through up-grading of all classes of personnel as their experience and abilities warrant, through planned job progression, job rotation, and intensive supplementary instruction both on and off the job. These functions are performed through (a) development of production specialists (trainees), (b) development of all-round skilled mechanics through apprenticeship, (c) development of supervisors through careful selection and training.

In California this work has been carried on in the southern part of the State under the leadership of Mr. William K. Hopkins as District Representative, and in the northern part of the State by Mr. A. R. Heron of the same title.

Then there is training outside of industry. This includes pre-employment instruction and related supplementary instruction. This part of the program is being provided for by the vocational and trade schools and by engineering colleges. There is the closest kind of cooperation between these groups and industry itself.

Time does not permit a full description of these two programs, but we are pleased to report that by reason of them California today is ahead of its assigned quota of production in our national war effort.

Keep in mind the fact that California has more war contracts than any other State and you will understand that our State, therefore, has a correspondingly tremendous problem of manpower production. In meeting this stupendous problem we have had the advice and cooperation of both management and labor. Without this T.W.I. program of quickly adjusting men to new operations and new skills, we could not have made the unparalleled strides in war production that our Nation has made; nor could we hope to reach that full complement of all-out production which must be attained in order to defeat the Axis Power.

To me, as Governor, it is particularly pleasing to know that at the inception of this specialized training program the California Appren-

ticeship Council volunteered all of its personnel and services to help. It is equally pleasing to know that the services have been accepted by the directors of Training Within Industry and, in turn, that the directors speak in highly complimentary terms of the cooperation rendered by our Apprenticeship Council and its staff in administering its affairs.

California has another huge manpower problem in Agriculture. We are not unmindful of the over-all importance of the production of food. That problem we are now endeavoring to solve, in cooperation with our National Government, agricultural experts, representative farmer and farm labor groups.

But tonight we are dedicating ourselves to the cause of producing skilled workers for industry. We are addressing ourselves primarily to our graduating apprentices who from now on take their places in industry as journeymen.

These young men will be our builders of tomorrow. They and the other thousands throughout the Nation, who like them have come into full competency in their several trades, are the ones who will put the full force of our unexcelled young American manhood into the building of the shipyards, factories, foundries, machine shops, cantonments, wharves, docks, piers, and so on to the end of our national need. So, too, will these young men and the others like them, put the full vigor and vitality of trained youth into the construction of ships, airplanes, tanks and trucks and the manufacture of all the arms, amunitions and complements of war.

California is extremely and justifiably proud of its apprentices—these young men who have labored and studied on the job and in the school that they might be amply qualified to accept their full share of the burden of maintaining and sustaining our American way of life.

Speaking directly to you young men I say that, with the foundation of an apprenticeship faithfully and successfully served upon which to build, your acquired knowledge and skill will bring to you the high honor of future leadership and supervision in your chosen trades.

As your Governor it is my profound pleasure to bring to you—and through you to all apprentices everywhere—those genuine compliments and sincere congratulations which are my own as well as those of every agency of Government which has joined in helping you; those of your employers and their organizations, your fellow journeymen and their organizations; and those of all the people of the great State of California.

You young men have a right to be happy and proud tonight. You have done something really worth while.

Tonight you receive your certificates testifying to the whole world that you have really learned your trade.

These certificates are yours—to cherish, to hold, to keep.

May I remind you, however, that it is not the record we keep that will defeat the dictators—it's the record we make hereafter on our jobs that will whip the Axis powers.

Bear in mind that the highway to Success leads from the City of Hard Work.

Do your work! Do it well, and you will have amply repaid all of us for our interest in your advancement.

By the same token we ask that you do for the apprentices who follow at least as much as all of us have tried to do for you.

In return I want to give assurance to those oncoming apprentices that, with the cooperation of the various Boards of Education, other interested agencies of Government, the employer and employee organizations, the State of California will continue to extend this program of apprenticeship training generally throughout California and build it to the point where it will be one of the truly great accomplishments of this State.

NOTE.—In San Diego on July 10, 1942, in the auditorium of the Roosevelt Junior High School, Governor Olson again addressed the public and the apprentices in that area. His speech in San Diego was essentially the same as that in Los Angeles, with the exception that in San Diego the Governor not only presented certificates of completion to 67 graduating apprentices in seven different trades, but also presented apprentice agreements (indentures) to 95 young men who were starting their apprenticeship in the several trades at the Consolidated Aircraft Corporation of San Diego.

THE AMERICAN LEGION

Address before Annual Convention, Los Angeles,

August 17, 1942

*Commander Garner, Members of the American Legion
Fellow Americans*

This is the fourth time that I have been given an opportunity to address your Department Convention.

On each of these occasions, I have felt that my appearance before you is not merely a perfunctory official act required of me because of my position; it has been my belief that I should meet and counsel with you regarding my duties as Chief Executive of the State. And I consider it particularly important in this perilous period in the life of our Nation that I have the advice and aid of the Veterans of World War No. 1. I have leaned heavily on that advice and aid in the adoption of State policies during the trying days of preparation before Pearl Harbor, as well as during these more trying days of actual war. I shall continue to rely on your advice and aid in the still more trying—yes, the dark, tragic days ahead of us, during which unmeasured sacrifices of the life blood of our Nation and its people must be made in carrying on—in leading the war of the United Nations to victory.

No other group of citizens possesses such a clear, realistic knowledge of the needs of the Nation in its slow, painful efforts to be prepared to successfully carry on this war, and no other group of citizens knows as well as you do the price we must pay for victory.

When the clouds of war first distinctly appeared on our horizon in 1940, there were many good citizens who did not see those war clouds; unfortunately there were other good citizens who did see them dimly, but quite naturally turned to the hope that war could be avoided if we would only shut our eyes and close our minds to its fearful aspect. And then there were in our midst, and there may still be some in our midst, those who are not good citizens, but vicious enemies of our Nation and our way of life, and who deliberately plan our destruction from within by trying to keep us in a state of unpreparedness and by creating distrust and disunity among our people.

But from its very inception, you Veterans realized the menace that the Axis combination of outlaws meant to our safety and to our very existence, and you did everything in your power to awaken the State and the Nation to that bitter realization.

That I shared with you this realization, and anticipated what has happened, is proved by the fact that I did everything within my power as Governor to have our State prepared for this emergency.

Since your policies on all matters pertaining to defense of the State and Nation have been my policies, I believe it proper and fitting that we here recapitulate what has been done in order that we may better determine what needs to be done in our State.

In July of 1940 I appointed the first State Council of Defense in the United States, and sent representatives of that Council to Washing-

ton to assist in setting up the Federal office of Civilian Defense and the plans and pattern for the organization of State and local defense councils.

You may recall that in my address to you at your annual convention held at San Diego August 13, 1940, I stated "A few weeks ago I appointed a State Council of Defense—to that Council I have appointed your State Commander, Mr. Dunn, as well as many other war veterans. The Council is now awaiting the further promulgation of defense plans by the War and Navy Department, and their instructions that are to be followed in our home defense plans.

"Conferences have recently been held in Washington to outline plans whereunder the several states can cooperate most effectively and make their greatest possible contributions to our national defense efforts."

In further agreement with you, I advocated the immediate enactment of the Selective Service Act. Our preparations for carrying out its provisions were already made, and in that same address to your Convention August 13, 1940, I said: "If, as I hope, a selective service bill shall become law, California has already completed its plan to carry out its prospective provisions."

At that same Convention, I also stated that: "I hope that, in framing our national defense policy, Congress will embrace the principle of 'total defense'; the principle of making our country invulnerable; proof against invasion by any combination of attacking forces; proof against the disintegrating preachments of antidemocracy.

"I believe that our national policy should consist of at least the following named four elements:

- 1—The drafting of man power
- 2—The drafting of capital
- 3—An effective Pan-American policy, and
- 4—A program of internal economic and moral rehabilitation."

That was said to you in 1940. You all know of the functioning of our State Council of Defense since then and the organization of our local councils of Defense because you have taken and are still taking a leading part in both. Incidentally, since Past Commander Dunn's appointment to the State Council of Defense in 1940, it has been my policy to place the incumbent Commanders of the American Legion and Veterans of Foreign Wars on that Council. Past Commander William Farrell held the position in 1941, and at the present time your Commander Robert Garner represents the American Legion as a member of the Council. In addition to the Department Commanders, many other veterans are serving on the various committees of the State Council of Defense.

A year before Pearl Harbor, as it appeared that the California National Guard would be called into the regular Army, the necessity of creating a State Guard to take its place seemed obvious to me and at that time I said in a public address:

"From the standpoint of strategy of war in the Pacific, California is of chief importance—our hydroelectric power system, our aircraft plants, and our forests would be major objectives of attack. The question is what can we do and how can we do it? First, on the

military front we can organize local Guard units for emergency defense."

I instructed The Adjutant General to commence planning the organization of adequate State Guard so that when, as occurred in the early part of March, 1941, the National Guard of California was inducted into the Federal service, the State should not be left without an adequate military force to guard against sabotage and prevent riots, insurrection or other civilian disturbances beyond the control of local police forces. Patriotic citizens volunteered as enlistees in the State guard units, many of them, a majority, were veterans of the World War.

Companies and regiments were organized by competent and experienced military direction, and in accordance with established military tables. These citizens trained and served without compensation and furnished their own uniforms, equipment and transportation.

You supported me in this preparation. At your convention at Sacramento last year, you went on record emphatically declaring that the State should maintain an adequate State Guard, and the following provision was added to the Military and Veterans Code:

"The Governor is directed to organize and maintain a State Guard with a minimum numerical strength of ten thousand persons and not to exceed such maximum numerical strength as the Governor may prescribe."

As stated, this work was well under way and it was not long until approximately sixteen thousand five hundred men and officers were enrolled in the State Guard. These patriotic citizens continued to train and serve without pay and to furnish their own uniforms and equipment.

Immediately after the attack on Pearl Harbor, I called for additional volunteers and more than ten thousand men, mostly ex-service men, hastened to enlist. Within two hours after the attack, State Guard troops were on active duty guarding all bridges, tunnels, dams, public utilities and defense installations not then guarded by Federal troops.

Not a man failed to respond to his orders despite the fact there were no funds available with which to compensate the guardsmen for their services.

Regular Army officers inspected the Guard; approved and commended it. This approval was indicated further by the War Department furnishing the Guard with nineteen thousand new rifles, ample ball ammunition and large stores of other necessary equipment.

With this situation before us, I convened the Legislature in special session on December 19, 1941, to obtain an appropriation for the support of the Guard. The protracted special session of the Legislature resulted in the passage of an act, compelling the reorganization of the Guard as a condition of an appropriation made for its maintenance. Despite all difficulties of this nature, the Guard has, with a patriotic morale, been maintained, performing its duty in the protection of life and property in California.

I have endeavored, throughout, to obtain the most competent and experienced military officers available in the organization and command of the Guard and to maintain it as strictly a military organization as is the Federal Army with which the work of the Guard is so closely related.

On June 8th of this year, at my request, the President of the United States assigned Major General Walter C. Sweeney of the Army of the United States to the State of California, and he was placed by me in full command of the military forces of California and given full responsibility with commensurate authority for the efficient organization and command of our State Guard and State Militia. He is answerable, not only to me, but also to the War Department, and our State Military forces are performing according to Federal and State coordinated plans.

If time permitted, I should like to review more in detail the work and accomplishments of our State and local defense councils, and the departments of the State government in the war effort. All of us realize that California, with its long coastline in the combat zone, its great forests, fields, war industries, oil fields, refineries, great irrigation dams, hydroelectric plants and strategic military installations, has a position in this war vastly different and more vital in carrying on the war than most states. With this realization and a deep sense of our responsibility, we shall continue to drive for the achievement of the maximum in our efforts to marshal all of the resources and manpower of our great State in the successful prosecution of the war; in all of the work that must be done on the home front; and in the protection of the life and property of our citizens.

The work of our State Council of Defense and the State governmental agencies is carried on, as are my own activities in the civilian defense and war effort, in close cooperation with the Army and Navy officials in command of the Western Area, and with the Federal Office of Civilian Defense for this area. All important measures pertaining to defense matters, as well as our State military operations are undertaken in close liaison with Federal authorities. I particularly wish to mention the splendid and successful coordination and cooperation in the activities of the Civilian Government of California, and the Western Army Command under General J. L. DeWitt.

Many of the activities I have in mind will undoubtedly be covered by reports from your own committees, because there is hardly an activity connected with the war and defense of California in which the American Legion has not taken a vital part.

I wish to turn for a few moments to another phase of war that must not be lost sight of in the smoke of nearby battles. I refer specifically to the disabled, the sick and indigent veterans of the other war. Our surest guarantee of the treatment all young soldiers of this war may expect is the way we care for the veterans of the last war and prove by our acts that we remain grateful for the sacrifices those soldiers made for us when called upon to defend our Nation.

California is one of the very few states that maintain its own hospital and home for veterans. I am frequently surprised to learn that many veterans do not know of this splendid State institution and what it can mean to the California veteran. Situated at Yountville, Napa County, it is surrounded by nine hundred and eighty beautiful acres of land. Last year I requested the Commandant of the Home, Colonel Nelson M. Holderman, to submit a ten-year plan for steady improvement and enlargement of the home and its facilities. In addition to the increased membership made inevitable by the advancing age of our

present veterans, we must make plans for the veterans of the present war. Colonel Holderman and the Board of Directors of the Home have submitted a plan based upon an estimated membership of five thousand veterans. The present facilities accommodate approximately fifteen hundred veterans.

I shall present this plan in more detail to your new Commander, and I am confident that the American Legion and other Veterans' organizations will be pleased to give it their united support.

During the past three years we have succeeded in securing appropriations for some long-needed improvements at the Home, outstanding of which are: The new mess hall, an improvement costing \$400,000; a modern Sewage and Treatment Plant, costing \$135,000; and the Rector Canyon Dam, a million dollar project, which will solve the acute problem of water shortage at the Home. With the aid of the American Legion Legislative Council, priority rights for materials for the construction of this dam will be secured from the War Production Board.

The State Veterans Welfare Board, by the use of State credit, has helped, and is helping many California enlisted veterans to acquire homes or farms. This is a successful and highly beneficent use of State power and credit. Provisions should be made for the extension of its benefits to the veterans of the present war and to all veterans who are now bona fide citizens of California, regardless of where they may have been enlisted.

In connection with the thought that we must not overlook the needs of the veterans of previous wars, a situation has been brought to my attention which may require some action by the State. I am advised that the American Legion, through the service departments of County Councils, particularly in the metropolitan areas, has carried on a charity program for the benefit of disabled world war veterans and more recently disabled veterans of the present war, eligible for Federal aid but not receiving it, or who receive inadequate Federal aid.

No worthy, disabled veteran should be faced with the necessity of seeking private or public charity. Such aid, in the temporary care of hardship cases of California's disabled veterans, should be provided for by appropriate legislation, which I hope will be enacted when the regular session of our Legislature convenes next January.

In concluding my remarks, I wish to leave but one more thought with you for your most earnest consideration. You are, for the most part, in the age group which has reached the maximum of its mental and physical vigor. It is therefore your generation which now has the responsibility of leadership not only in war activities, on the home front, but in shaping the new world order when victory shall again have been won for the democracies of the United Nations.

It was you as younger men who won the war, and it was those on the home front who lost the peace.

This time we must win the war and the peace. It is up to us to see to it that our young soldiers and sailors, upon their return to the pursuits of peace after their victorious fight to again save freedom and democracy, are not dissillusioned by the fallacious cry of "back to normalcy"; by a cynical disregard of corruption and of good morale in private and public life; by a wild scramble for private gain at the cost of social gains; by a refusal to act in concert with our allies in

preserving and enforcing, with the necessary fleets and armies, observance of the peace for which we now fight at such a fearful cost in blood and treasure.

I urge that your leadership be directed not only to winning the war on the home front, but to winning the kind of a peace that can be enforced and made enduring when victory shall again be ours. To win that kind of a peace there must be a new world order in which the standards of civilization shall be raised to higher levels than have ever before been reached; a world order which recognizes human rights as more sacred than the right to exploit the toil of human beings; a world order in which the hunger, poverty and material needs of people anywhere on earth shall be the concern of the rest of the world.

The peace objectives of the United Nations, the freedom for which we are fighting, including freedom from want and fear, can not be achieved and made secure without international economic justice. It is our problem to intervene and aid in the establishment of principles, policies, ways and means of accomplishing those objectives and in the establishment by the United Nations of international institutions, both civil and military, to instrument, enforce and preserve the peace of the world.

LABOR DAY—1942

Address broadcast over Station KFWB, Los Angeles, September 7, 1942

On the first Monday in September, 1882, just 60 years ago today, the Knights of Labor, the forerunner of the American Federation of Labor, paraded in the streets of New York City celebrating their accomplishments and testing their strength. Since then Labor Day has become a legal holiday in most states and territories of our Union. It is a legal holiday in California.

But in these times of grave national emergency, the workers in the war plants of our country are at work on Labor Day. The workers in our war industries are too conscious of what this war means to them to stop working on this Labor Day. They know too well that they must keep forging the implements of destruction in order to be able to produce implements of construction and goods for consumption after the war is won.

That the workers of our country have made tremendous strides in the improvement of their economic status under our democratic institutions is obvious to all who are aware of the accomplishments of organized labor. It should not be forgotten that these improvements have been accelerated by Federal and State laws, which, especially in the last decade, have recognized that Labor as a group in our population has the same right as have other groups to pursue life, liberty, and happiness. Thus, the National Labor Relations Act, which grants the right of workers to organize and bargain collectively, can not be abridged by unfair practices of antilabor employers. With the aid of this basic labor law, hundreds of thousands of working men and women have been brought into membership of organized labor. Therefore, workers in defense industries sparsely organized or wholly unorganized prior to the enactment of the National Labor Relations Act, are now benefiting by the collective bargaining provisions of union contracts.

The Fair Labor Standards Act, another important labor law, recently enacted, now insures a minimum wage and a maximum work week for those who, lacking organization, were frequently deprived of the necessities of life by employers who were relying upon low wages and long hours to gain unfair advantage over their competitors.

The Social Security Act and the State Unemployment Insurance Laws are another milestone in the long struggle of Labor for greater security against the contingency of involuntary unemployment which has plagued the lives of the working men and women of our country in times of recurrent periods of widespread depression as well as in periods of lesser but more frequent business recessions.

The achievements of Labor are your achievements; they are my achievements; they are the achievements of all of our people. This is so because organized labor has always been the vanguard of all progressive thought and of all progressive movements for the amelioration of the conditions of the have-nots, of the common people who depend upon work and wages for their existence. Our labor movement has never accepted the pernicious doctrine of those who believe that our

national income can only afford a fixed amount of money that can be used for the payment of wages and that our national prosperity would suffer if the workers of our country would strive for an ever-rising standard of living. This doctrine has been spurned by our labor movement as well as by all forward-looking citizens of our country who recognize no limits in the economic advancement which can be attained by the creative genius of our people.

Labor's interest in this war is basic. The workers of our country are grimly aware of the fate which awaits those who come under the brutal rule of the Nazi brown shirts, the Fascist black shirts, and their fellow gangsters of Japan.

Being fully conscious of the stake they have in the winning of this war, the workers of our country are devoting their full strength to the tasks that lie before them in our war production plants. The workers who have not yet joined the armed forces are today in the ranks of the working battalions of our factories, mills and mines, forging the weapons of warfare and producing the vital materials urgently needed by our soldiers and sailors and by the armed forces of our gallant allies.

The leaders of organized labor have been successfully urging their members and all other workers to work steadily and efficiently to insure the maximum output of our war production plants.

Labor's contribution to the winning of the war can be made more effective by the greater and more general willingness on the part of management to accept the workers' offer of cooperation in reducing wasteful methods in production and in devising new and better ways of increasing output. It is an undisputed fact that in those war plants where labor-management committees have been created, the efficiency of both labor and management has been substantially increased.

The employed labor force of our country has been increasing by leaps and bounds since the President declared a state of national emergency. In California the number of workers employed in all manufacturing establishments increased by 112 per cent between 1939 and 1942, and the increase in our war plants, exclusive of other factories, was 198 per cent.

Women workers are rapidly joining the ranks of the labor battalions of production. The Director of the Department of Industrial Relations recently reported to me, on the basis of the latest authentic figures available, that 76,000 women were employed in California factories in June, 1942. This number represented an increase of 10 per cent over the number employed in April, 1942. The increase in the number of women workers in the war plants only during the same three-month period was 53 per cent.

With the rapid expansion of our armed forces, hundreds of thousands of men now working in the army of production will be called to the colors and their places will be taken by women workers who are ready and willing to help the Nation's war effort in our war factories. Both management and labor must recognize the country's need of women workers and do their utmost to train them to perform the war production tasks for which they can be qualified.

There are those who complain about attempts of workers to keep abreast of the rising cost of living by demanding wage increases. In spite of the price ceilings which have been established for many com-

modities entering into the workers' budget, no adequate formula has as yet been devised to keep down essential food prices.

The latest figures made available by the United States Bureau of Labor Statistics show that food prices are still climbing. In California, the cost of living was about 19 per cent higher in July, 1942, than the average for 1939. So long as the cost of living is rising, it is not to be wondered that some workers are seeking wage increases. Labor is willing to forego all further wage raises in those industries where their wages have attained a level commensurate with war prices, but there are still a number of industries in which the workers are receiving substandard wages, utterly inadequate to enable them to support their families on a level of health and decency, without which maximum work efficiency can not be attained. Such substandard wages should not be frozen. To avoid the curse in inflation, it may be necessary to put an iron, inflexible band on prices and high wages. But a rubber band is needed for substandard wages which must continue to be elastic until they have reached that level which will insure the greatest work efficiency. And let us remember, in this connection, that the imposition of an iron, inelastic band upon substandard wages can only result in the deterioration of the health and well-being of the workers who are the recipients of low wages. Labor is contributing to the winning of this war by its willingness to submit to wage regulation; it should not be asked to submit to wage stagnation in the face of rising food prices, and uncontrolled prices of other essential commodities in the workers' cost of living budget.

This is the people's war, and labor's objectives in this war are the people's objectives in this war. The first and the simplest objective is the mere winning of the war. Our country has been attacked by the sneaky and barbaric Japanese. We must teach the Emperor of Japan and his warlords a lesson which they will never forget and which will insure our safety against similar attacks upon us in the future. We must destroy the militarists of Japan for all times to come. Hitler and his blood-thirsty admirals were sinking our vessels and killing our sailors even before the dastardly attack upon Pearl Harbor. Hitler, the Napoleon of the twentieth century, wants to dominate and enslave the world in order that his so-called master race may rule and govern us. We have no other choice than to wipe him and his military cabal from the face of the earth. We must crush him and his criminal associates to make sure that they will never again challenge our right to be a free and independent nation.

The complete destruction of our enemies is, I say, the first and paramount objective of this, our people's war. We, together with our brothers in arms, will show these aggressors that the free peoples choose to remain free. We shall make sure that our enemies will never again take up arms against us.

Our people are determined to win this war at any cost. But while our immediate objective is the winning of the war and the subjugation of our enemies, our next objective is the winning of the peace. And the winning of the peace must mean the establishment of a better world to live in for ourselves, our neighbors, and for those peoples of the world who wish to live in peace and harmony with the rest of the peoples of the world.

With respect to our people's objectives in this war, I take pride in quoting President Roosevelt, who in his message to the 77th Congress, delivered on January 6, 1941, said:

"In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

"The first is freedom of speech and expression—everywhere in the world.

"The second is freedom of every person to worship God in his own way—everywhere in the world.

"The third is freedom from want—which translated into world terms, means economic understandings which will secure to every nation a healthy peace-time life for its inhabitants—everywhere in the world.

"The fourth is freedom from fear—which translated into world terms, means a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere."

These freedoms have been obliterated in Hitler's Germany, in Mussolini's Italy, and Hirohito's Japan. The peoples of these unfortunate countries have been deprived of the freedom of speech and expression, and of the freedom to worship God as they choose.

We shall win these freedoms for ourselves and for other people of the world in order that we may not again have to fight for the preservation of these freedoms in our own land. When this war has been won, we shall make sure that our people, the common people of our country, will have a better world to live in. We shall extend the benefits of our social security and child welfare laws to afford greater security to the aged, the ill, the widowed mothers, the orphans and underprivileged children. We shall enact health insurance laws to supplement our workmen's compensation laws and to insure adequate medical care and cash benefits to the workers, and their families, who are unable to work and earn wages because of illnesses not caused by industrial accidents and disabilities. We shall enact laws which will insure adequate and decent housing for the common people of our land.

We shall never again return to an economic order which made possible mass unemployment, degrading bread lines and soup kitchens. We shall extend out educational facilities to enable the sons and daughters of the common people to enjoy to the full the benefits of our educational and cultural institutions.

We shall make sure that those who are unable to find useful and gainful employment in private enterprise are afforded work at full wages on public works projects such as the building of schools, public auditoriums, public housing, bridges, canals, dams and highways. We shall harness our natural resources for the use of the common people of our country. We shall convert our war plants to the production of a vast and ceaseless stream of economic goods for the consumption of the people of our country. We shall raise the standard of living of the common people to heights heretofore unknown in the history of the civilized world. These are Labor's post-war objectives and the objectives of the common people. These are also the objectives of our

great humanitarian President and his administration. These are my objectives.

I would, however, be raising false hopes in your minds and hearts if I were to tell you that these post-war objectives will come without effort on our part. No, my friends, history tells us that human progress is not made by wishful thinking. Democracy and freedom, political and economic, can only be won by eternal vigilance and by repeated sacrifices. The common good of the common people can be achieved by the proper and thoughtful utilization of our productive capacity and our natural resources.

Our captains of industry who, with the guidance of our government and with the productive equipment under their control in a steady flow of implements of destruction, must learn how to use the same equipment for the common good after this war is won.

The prerequisite to the attainment of these post-war objectives is the will to achieve them under the leadership of statesmen who have demonstrated their keen, sustained, and unflagging interest in the welfare of the common people. Such statesmanship will not come from those who belong to the groups in our economic and political life who were always opposed to long-range governmental planning for the common good. It will not come from those politicians who have always adhered to the faith that the poor shall always be among us. It will not come from those who have always opposed so-called government intervention in business for the common good. It will not come from those, who, prior to the attack upon Pearl Harbor secretly believed in the possibility of doing business with Hitler. The workers' and the people's objectives in this war will be achieved only by their economic and political consciousness, by their ability and determination to choose as their leaders of government the tested and proved friends of Labor and the common people. To attain these post-war objectives the people must maintain in Washington, and in the respective states, a democratic administration which has demonstrated in the past its solicitude for the welfare of the common people by the advocacy and enactment of legislation for their well-being. And, it is equally important that in the several states of our Union, and in our own State of California, the workers and the common people, be not misled by the empty campaign promises of candidates for high office.

To accomplish the post-war objectives of our people, there will need to be unreserved and wholehearted cooperation between the national administration and the administrations of the State governments. You know, my friends, that you and I, and the masses of the people of our State have the same peace objectives.

I pledge you, on my honor, that I shall continue to work with the Commander-in-Chief of our country's armed forces, and with his democratic administration, for the utter defeat of our enemies and for the winning of the people's peace after the war.

STATE FIREMEN'S CONVENTION

*Address given before annual meeting, Fresno,
September 22, 1942*

*Mr. President and Members of California State
Firemen's Association*

I congratulate you on the 20th anniversary of your organization, its progress and accomplishments, and thank you for having me as your guest on this occasion. I have never served as a fireman but in my early life when I was working as a newspaper reporter following the occurrence of serious fires, I became aware of the hazards, the dangers, the injuries and the deaths bravely suffered and sacrificed by those who serve in these battles for the protection of life and property against fire. And I learned then to my astonishment that little or no provision was made for their compensation or the compensation of their families and dependents much less job security and retirement benefits.

This knowledge of the fire service so greatly impressed me that when I was elected State Senator in Utah more than a quarter of a century ago, I worked for the enactment of legislation to provide for the compensation, security and retirement benefits to which firemen were entitled. And I believe you will know that when I became a State Senator in California I took a deep interest and was instrumental in securing some liberalizations of our statutes for the proper protection and welfare of the firemen of our State.

I believe that during my administration as Governor more improvement has been made in the fire service and more beneficial legislation enacted for firemen in the State of California than had been accomplished theretofore since the birth of your organization. It was my distinct pleasure as Governor, to have signed 43 laws proposed by the California State Firemen's Association, every one of which I considered meritorious and of distinct value to the public as well as to the men in the fire fighting service. Such legislation as your so called "Heart Trouble and Pneumonia Bill," which gives you the benefit of presumption that such diseases are service connected, while seemingly revolutionary, is compatible with my philosophy that those who give exemplary service and are exposed to exceptional dangers should receive maximum protection. Time will not allow my elaborating upon the specific details of the many other legislative achievements gained by those of us who are fire-minded during my term of office. The public has certainly benefited in many ways through the improvements in service and protection made possible not only by the enactment of new laws but by the proper enforcement of those already in effect.

Now that we are at war, our course is set to take the leadership in winning it in accordance with the historic pronouncements of President Roosevelt in his message to the Congress on Monday. It places upon the people of California and upon their governments responsibilities which require our foremost and immediate attention—responsibilities

for the protection of life and property in California against the disasters and havoc that this war may bring to us, as well as the giving of every possible aid and coordination of effort in the entire national defense and war program.

I have heretofore spoken on broadcasts about the organization of our State and local councils of defense, and of the plans under which they are set up and are beginning to function. Practical questions and difficulties in successfully carrying on the civilian defense effort naturally occur and may be expected. Continuous work is required of State and local governmental agencies and their councils of defense to effectively meet all emergencies which war conditions may bring upon us. This work has to do not only with air raid warning service, blackouts, the organization of our fire fighting forces, and of official and voluntary aid in any condition of distress which may strike the people in any locality, and guarding against sabotage or other interference with vital resources, plants and facilities upon which the life of the population depend; but it has to do also with the regulation of our industries; with the demand upon our agricultural resources, with the rationing of commodities and consumer goods as the nation's need may require, and with the health, welfare, consumer interest, and morale of the people.

Today the various committees of our State Council of Defense, to which have been assigned work on these different phases of home and civilian defense, have been meeting here at Sacramento, preparing their reports to the meeting of the whole Council of Defense, which will be held here beginning tomorrow morning. At that time, further rules and regulations necessary for putting into effect civilian defense plans will be considered and passed upon by the Council. Your State Council of Defense is not only a planning council, but an active State war board, charged with the responsibility and authority of making specific regulations and giving specific directions to the constituted State and local governmental authorities to be followed in putting into effect plans and programs essential to civilian safety, protection and welfare during the war. The State Council of Defense is our policy planning and rule-making authority. State and local governmental officials within their respective jurisdictions, are the executive agencies for the enforcement of these emergency policies and regulations. These State defense policies, plans and regulations will be specifically given from time to time on these broadcasts.

Tonight I wish to speak of one of the most important plans adopted by your State Council of Defense, and that has to do with protection from and suppression of fires. The State Council of Defense has adopted the so-called Fire Disaster Plan of mutual aid by and among all of the city, county and State fire fighting forces. This plan was born of necessity and is the outgrowth of a plan originally started by the Central California Rural Fire Association which was designed to provide mutual aid among rural departments in the San Joaquin Valley.

When the plan was under way, however, it was found that other counties wished to join and soon the entire State was embraced within it.

It was immediately perceived that this rural equipment might be of great value in disastrous city fires. Consequently, many cities asked

to be allowed to participate until now the plan includes all fire fighting facilities throughout the State.

District Dispatchers Office

The State of California is divided into districts. Each one is under the control of a district coordinator who is selected by the various fire chiefs within the district.

This district coordinator operates a district dispatching office in which are employed three assistant coordinators—one of whom is on duty during each hour of the 24. This district office has telephone and sometimes radio connections with each firefighting organization within the district; that is, every municipality, fire district, forest ranger, and an occasional private fire company.

In this district office is also an inventory of all of the available firefighting equipment within the district, volunteer firemen, etc. An agreement has been entered into by each of the local firefighting organizations to cooperate under the Fire Disaster Plan.

The district coordinator has also prepared, in cooperation with the local fire organizations, maps of the district and prearranged assistance and move-up plans for each area where a disaster might conceivably occur.

The following examples indicate how the Fire Disaster Plan is expected to work.

Let us assume that the disaster occurs in the Long Beach oil fields. The Long Beach fire chief will, of course, move in first with all his available men and equipment. It is quickly evident to him that his facilities are insufficient to control the fire. He calls the district dispatching office. The coordinator on duty immediately consults his district master map and from it obtains the key number of symbol corresponding to the area on fire and takes the corresponding card from the "assistance and move-up" file. This card lists the nearest firefighting organizations and their available equipment which they have agreed to send in case of a disaster. He immediately starts calling these organizations in the order in which they appear on the card requesting them to start their equipment rolling to the aid of the Long Beach fire chief. The card also lists organizations and equipment which will be requested to make the secondary move-up to cover up. This process continues until sufficient equipment has been moved to the Long Beach disaster area to control that situation and all of the areas left exposed by the "move-up" are covered by equipment rolled in from more remote stations.

Outside equipment moved into the Long Beach disaster area will be used under the direction of the Long Beach fire chief and will continue under his jurisdiction until he releases it for return home.

In every instance of a disaster the chief of the local organization which makes the initial attack remains in charge until the fire is controlled. Thus in the instance of this disaster occurring in Long Beach area, equipment from Wilmington, San Pedro, Compton, Huntington Park, Fullerton and other immediately adjacent towns would be rolled in. Perhaps also a considerable amount from metropolitan Los Angeles. Equipment from more distant points, Pasadena, Glendale, The County Division of Forestry, etc., would roll in to cover up

the gaps left in these towns. If the disaster should spread, eventually all of the equipment in Los Angeles County applicable to the fire might be moved into the disaster area, the cover-up equipment being supplied from Orange, Riverside, San Bernardino, Ventura and Kern Counties.

I could describe many another fire disaster situation for which specific plans have already been devised. For example, we might have disaster fires in San Francisco, Vallejo, Monterey, Santa Barbara, Oroville, Bakersfield, or at any other point in the State, but the principles of procedure and the functions of the county and district dispatch offices would be identical with those outlined in the case of Long Beach.

It is believed that by handling the problem in this way we shall double, and even treble and quadruple, the fire attack power of many local fire departments.

In view of the fact that the hazards of fire are multiplied by war conditions, isn't it reasonable to expect that this is a job for the Federal Government? A similar question is asked with regard to other plans of the State Council of Defense for the protection of life, property and welfare of the people of California. The answer is "Yes, it is a problem of the Federal Government and also of the State." Help may be expected, and undoubtedly will be given, by the Federal Government, but as President Roosevelt in a recent telegram to me, states:

"I want to assure you that a great deal of active thought has been and is being given to the whole subject of civilian defense and that the Federal Government expects to provide protection for its citizens to the utmost of its ability. However, this assumes that the States and localities will carry out supplementary responsibilities such as you are now undertaking."

I have every reason to believe that the National Government will allocate some funds and equipment to California for fire suppression, as well as for other special defense needs. But we must realize that our National Government is fighting a war on many fronts, and that it is our war as well as the war of the other states of the Union. It is for us to help our National Government with every resource at our command and meet immediate requirements to guard public property and lives and property of the civilian population of California. We shall continue to endeavor to secure Federal aid to the extent that our State and local communities may need that aid beyond the reach of our own financial resources, but we must go ahead without delay in the institution of equipment and services in order that, in so far as it is within our power, we shall not be unprepared when the perils are actually visited upon us. We can not afford to sit with our hands folded, waiting for help to materialize. We must proceed at once with our fire defense plans in order to have as much new fire fighting equipment as possible ready to move up to the line of fire. In fact, I have already ordered the purchase of large quantities of new equipment, anticipating, but with some misgivings, that the Legislature will provide the necessary money.

I am more than gratified to learn, and to be able to report to you now, that throughout the State more than 35,000 volunteer auxiliary firemen are under training.

I report these things at this time because I believe the people of California are entitled to the comfort and assurance they afford. But I do not want anyone to assume that the fire defense plans I have described can be called fully and completely and independently adequate, or that lay citizens may therefore dismiss the subject from their minds. I mean quite the opposite; namely, that every citizen must help in every way possible. This help can take many forms. They can help by making sure that fire hazards about their own homes and premises are reduced to a minimum. They can help by making sure that whatever fire fighting equipment they may have is in good operating condition. They can help by volunteering for whatever fire fighting service they can render, and by taking training for that service. They can help by being careful with cigarettes and with fire, when camping or when burning trash or brush; and by insisting that everyone about them be equally careful. They can help by supporting law enforcement officers in the apprehension and punishment of persons guilty of the most dangerous and anti-social crime of all; the setting of unauthorized fires for purposes of sabotage or from any other motive.

CABRILLO DAY

Radio address, September 28, 1942

In behalf of the people of California I hereby greet and felicitate the Cabrillo Civic Clubs and all citizens of Portuguese descent on this memorable date, the four-hundredth anniversary of the discovery of California by the great Portuguese explorer and adventurer, Juan Rodriguez Cabrillo.

Cabrillo and his little band set out in two tiny ships and sailed up the west coast of Mexico and finally, after three months of adverse winds, put in at what we now call San Diego Bay. It was here, then, that Cabrillo, while searching for the fabled riches of the New World, discovered California and was the first white man to set foot on California soil. After so long a struggle with the elements we can imagine that he must have been very grateful. Nevertheless, he stayed only six days, barely long enough to make friends with the native Indians, replenish his fresh food and water supplies, and write down in his book that here was a very fine, land-locked harbor set in the most beautiful of surroundings.

It is perhaps unfortunate that Cabrillo and his party did not settle down right then and there. But no—California had to wait another century and a quarter for its first colonization—at San Diego—by the Franciscan padres.

Today, four hundred years later, California is rich and productive and developed beyond the compass of anything Cabrillo could have imagined, and populated by the proudest of people whose greatest pride is in the high state of their civilization, in their free institutions, in their ability to govern themselves, and in the rich heritage of their past.

Cabrillo stands at the very beginning of that past. He stands as the very first of the long stream of men and women, great of heart and mind, who have made for us that heritage which is the present.

Cabrillo symbolizes for us the Spirit of Adventure, found ever since, in the explorers, soldiers, laborers, mechanics, artisans and engineers, and in the men of the arts and sciences, whose lives of toil built the world of great wealth and physical comfort in which we of today live.

Let us take from their lives the increased devotion, and the determination, and the courage with which we must now address ourselves, also as adventurers and soliders and workers, to the great tasks of the present. These are the tasks of overcoming the brutal forces of Fascist greed and ignorance and violence; the tasks of building into our institutions of freedom and of imparting to our children the strength with which to meet the future.

PATRIOTIC AWARD CEREMONIES

Remarks given in expressing appreciation upon being awarded citation commemorating patriotic services by 17th District of the Department of California, American Legion, Los Angeles, October 16, 1942

*Commander Robinson, Officers of the 17th District
Members of the American Legion*

Ladies and Gentlemen

To say that I am grateful for this citation and for the recognition of merit which it implies, is to state it very mildly. I am very grateful—indeed!

I have the most vivid recollection of the conditions that prevailed when the committee waited on me to ask me to officially call the attention of Federal officers to the enemy propagandists working within our State. I have the most vivid recollection of the long succession of developments that led to and created those conditions. For many years, I, myself, had been increasingly apprehensive of those developments. For many years, I had watched the spreading of Fascist doctrines from Italy into Germany and then into one country after another until its ideology had filtered throughout Europe, taking possession of large sections of the ruling classes. I had watched its infiltration into South America. I had watched it bury its tentacles in American life.

I was likewise apprehensive of the spread of other doctrines which preached violence. But I am frank to say that I was most apprehensive about Fascism and Hitler's version of it—Nazism.

Why?

Because Fascism and Nazism went about its work with such deadly system, well-heeled financially, and clothed in the garments of political respectability.

A large section of America's daily press praised Hitler and Mussolini in their editorial columns and carried long series of propaganda articles signed by Italy's Mussolini and Balbo, and by Germany's Goerings, and Goebbels and Rosenbergs.

I agree with you—it was not easy and it is not easy to combat subversive forces when they come masked in the trappings of affluence, prestige and respectability.

You may be sure, therefore, that I was profoundly grateful when the American Legion Committee came to me, not with an unattended request that I use my office as Governor to induce Federal action against enemy propagandists; but bringing along with that request the Legion's full backing, together with all of the influence and respectability that the American Legion has earned by its years of patient diligence with the very problems we are here discussing.

Therefore, if any special virtue resides in the action for which this citation is awarded, I say that although I am proud of my small part in it, principal credit and principal praise, if any be due, are due to the members of the American Legion. Your vigilant watch

over the activities of the subverters of democracy now brings rich rewards measured in terms of the national safety.

This alone would be full justification of the existence of the American Legion. You should be proud, therefore, in the knowledge that it is only a part of the Legion's services to the national safety.

It seems to me, therefore, that I am entitled to mention just a few of these services, just a few of the civilian defense and war activities with which I happen to be most familiar and in which the Legion plays a major and a leading role.

No canvass of these activities is complete without mention of your part in setting up and placing into operation the Selective Service Boards throughout the State. Ex-service men are the very backbone of the system. They serve without pay; most of them at serious inconvenience and out-of-pocket cost. But there has not been one to complain; and this, despite the fact that some thoughtless, or irresponsible, or over-emotional citizens unjustly hold the Draft Board members personally responsible for taking their boys and sending them off to war. To me, it seems proper to say to such citizens: "Please direct the fire and the energy of your criticisms, not at the Draft Board members who are performing a most difficult patriotic duty, but at your country's enemies."

In view of the American Legion's part in the successful operation of the draft system, the President's request was most fitting when, only a few days ago, he asked your new National Commander, Waring, "to get Legion Posts throughout the country to call public attention to the great job these men and women (of the Draft Boards) are doing and the sacrifices they are making for the war effort." My own experience attests the President's wisdom in suggesting that Legion Posts adopt resolutions commending the Boards.

Another war activity to which the Legion has given and is giving the most energetic assistance; in fact, I should say primary assistance, is that of the Ground Observation Corps of the Aircraft Warning Service. You men who reside here in Los Angeles where the burden of manning the observation posts bears so lightly on a large population, may be but little aware of how very heavy that burden is in the sparsely populated counties. Throughout the State, ex-service men, Legion members, have been the backbone of the Observation Corps. In counties like Mendocino, and Humboldt, I assure you that they render service at heavy cost in time, in money, in foregone pleasures, and outright inconvenience. No pay. No compensation for tires and gasoline expended. No glamour. And, for very good reasons, the very minimum of publicity. The men and women who carry the load of the Aircraft Warning Service are accorded altogether too little recognition and thanks for the zeal and patriotism that enter into their quiet service.

Then there is the State Guard. We would scarcely have a Guard but for the ex-service men. I believe they must constitute 75 per cent of the Guard's personnel; both enlisted men and officers. They have stuck to their posts through thick and thin; in good weather and bad; and despite the higher pay all of them could so easily earn elsewhere. If any group exemplifies the spirit of self-sacrifice, it is the men of the

State Guard who keep watch over the vital dams, bridges, power centers and military-industrial installations.

Last, but certainly not least, I mention the organization of civilian defense. Here again, acknowledgment and praise are due for the work of ex-service men, the American Legion, in the hundreds of town, city and county councils of defense. Just eight months ago, when I had the honor of addressing you here, I declared that “. . . the four million vigorous, middle-aged, World War veterans of the United States, many of them with sons now marching towards new battle fronts, will become the backbone of the Nation's civilian defense effort.”

I should like, too, to repeat another observation that I made at that time, as follows:

“As veterans of a previous World War, fought and won by you less than 25 years ago, you will understand the full significance of my statement that winning this new World War must be our first concern, and that any activity of the State or its citizens that interferes with that paramount objective must be stopped—and at once. Life can not, dare not, go on as usual until our enemies have been destroyed. And I believe that because of your full understanding of what is meant by an “all-out war,” you veterans are perhaps the only group of citizens that possess a realistic conception of our problem, and the only group that is prepared mentally to face the grim task that confronts us. Your words and actions since December 7th support me in this conclusion. Your attitude on every vital question pertaining to our war emergency has given me, as the chief executive of your State, the comfort, and the encouragement, and the constructive criticism, and assistance, which no other source has given of so generously, and which one in my position must have in a crisis which threatens not only our armies and navies, but our very being as a free people.”

For all of this, I am deeply grateful. And I know you will keep it up.

PART IV



PROCLAMATIONS



1939

PROCLAMATION

Setting aside a public holiday on February 18, 1939, the occasion of the opening of the California Golden Gate International Exposition

WHEREAS, Saturday, the eighteenth day of February, nineteen hundred thirty-nine, has been fixed as the date for the official opening of the California Golden Gate International Exposition on Treasure Island in San Francisco Bay; and

WHEREAS, It appears to be to the best interests of the State of California, and the citizens and inhabitants thereof, that this epochal event should be generally observed and that all persons desiring to attend the opening of this great exposition should be given the opportunity to do so;

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby appoint and proclaim Saturday, the eighteenth day of February, nineteen hundred thirty-nine, to be a public holiday throughout the State of California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 3d day of February, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Establishing the week of March 6, 1939, as Conservation Week

The great State of California has been blessed with an abundance of natural resources which have added greatly to her wealth and scenic beauty.

It is appropriate that California set aside a week each year to be known as "Conservation Week," extolling the wonders of her natural resources, and urging that those resources be guarded and preserved against unlawful encroachment and wastage.

It is also appropriate that "Conservation Week," be observed this year during the week beginning March 6, during which fall Arbor Day and Luther Burbank's birthday, and I call upon all California's citizens to unite in a policy of observing our conservation laws this week and every week throughout the year.

To this end, now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the week beginning March 6, 1939, as "Conservation Week" in California, and I urge widespread observance and participation by all citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of February, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Setting aside March 11, 1939, as "Whiskers Day" in connection with
Roaring Camp re-creation at Sacramento-Golden
Empire Centennial*

WHEREAS, the growing of whiskers has become synonymous with the picturesque pioneer era of California, when a Golden Empire was founded. This ancient and honorable custom also remains in the streamlined era as virtually the only way in which mere-man can assert himself and demonstrate his virility by sprouting hirsute appendages, and at the same time ignore the whims and dictates of Emily Post.

In commemorating the one-hundredth anniversary of the founding of the Capital City of Sacramento and the Golden Empire, the 16 counties of Northern California have joined forces in a most worth celebration in which romance of the pioneer west will be revived in the gala Sacramento-Golden Empire Centennial.

In reviving the colorful days of Bret Harte, the Mother Lode, the days of the historic Pony Express and all of the glamour and romance of the 1839-49 era, the Sacramento-Golden Empire Centennial and the allied Whiskerinos of the World are encouraging the revival of this ancient and honorable custom for men to grow whiskers. A contest, which is undoubtedly the world's slowest race, is being conducted throughout the nation, to find the man who can grow the longest whiskers between March 11 and May 13, when the Centennial's "Roaring Camp" re-creation of a Mother Lode mining village is opened.

Therefore, I, GOVERNOR OLSON, do hereby proclaim and declare that Saturday, March 11, be set aside as Whiskers Day, and call upon all men in the 16 counties of the Sacramento-Golden Empire, namely, Amador, Alpine, Butte, Calaveras, Colusa, El Dorado, Glenn, Nevada, Placer, Plumas, Sacramento, Sierra, Solano, Sutter, Yolo, and Yuba counties, to demonstrate that they are real he-men, and in the spirit of their fore-fathers of the gold rush days, let their whiskers grow without restraint.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 10th day of March, A.D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Setting aside April 14, 1939, as "Pan-American Day"

Inasmuch as reciprocal fellowship of the peoples of the Americas stand today in the greater degree than ever before as a common bulwark against encroachments upon the form of government we have chosen of our own free will, there is mutual reason to rejoice in events which help to cement existing friendship and build anew on its foundation.

Between us and our neighbors to the south, the peoples of Mexico, the peoples of Central and South America, exists a common bond of mutual understanding and mutual cooperation. We have selected our forms of government and we select those who administer them, without subservience to individual will. Our state problems are several and distinct among us but all follow the same general pattern of self-government. Our economies are basically alike. Our culture provides stimulus to all of us, one with the other. Standing firm on this rock of mutuality, we need not fear, singly or collectively, penetration of ideologies foreign to our inherent conceptions.

It is fitting, therefore, that we join with our sister republics of the Americas in observance of "Pan-American Day," and I am happy to proclaim Friday, the fourteenth of April "Pan-American Day" and most earnestly urge all Californians to join in the observances being held throughout the State.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of April, A.D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Establishing Sunday, April 30, 1939, as "Employment Sunday"
in California*

Inasmuch as the right to life, liberty and the pursuit of happiness stems from the American home and irrevocably centers there, it is imperative that the integrity of family life be maintained. To this end we must ever direct our mutual thoughts and energies to the problem of supplying constructive employment for all able and anxious to work. This is particularly true with respect to the heads of families and further applies particularly to men and women above the age of forty years, for upon them, to a very large degree, falls the responsibility for keeping the home intact.

In recognition of this continuing truth, the National Commander of the American Legion has requested the clergy of the Nation to discuss employment and means of increasing it, from pulpits on Sunday, April 30. The American Legion has been joined in this thoughtful and worthy consideration of the problem by the Veterans of Foreign Wars and the Disabled American Veterans. It is proposed that the day and the cause be emphasized in the public mind by designation as "Employment Sunday".

With this purpose I have the most profound and sincere sympathy; more, it is the definite policy of this administration to assist and cooperate to the utmost in the achievement of work for all who can work, so the American home, keystone of democratic self-government, may be restored to its full measure of useful occupation and contentment.

Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim Sunday, April 30, as "Employment Sunday", and urge all the people of the State to attend their places of worship on that day that all may have a better understanding of this most vital of objectives.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of April, A.D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Naming the week beginning May 7, 1939, to be "Union Label Week"

Inasmuch as the Union Label is the consumers best assurance that the article so marked is made in America, under fair working conditions, by adult workers receiving American standard wages,

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the week beginning May 7th, 1939, as "Union Label Week" throughout California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of April, A.D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring Sunday, April 30, 1939, as Sacramento-Golden Empire
Centennial Day*

WHEREAS, the founding of Sacramento in 1839 by General John A. Sutter, brought the first civilization to interior California, and subsequently wrote one of the most romantic and dramatic chapters in American history; and

WHEREAS, the subsequent discovery of gold near Sacramento in 1848 by James Marshall changed the course of a nation, and started a westward migration without parallel in world history; and

WHEREAS, the modern City of Sacramento has joined with fifteen neighboring counties in the Sacramento-Golden Empire Centennial celebrating the region's Century of Progress, in which they will pay tribute to the hardy pioneers and again re-live the glorious days of the early west; and

Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby declare and proclaim Sunday, April 30 as Sacramento-Golden Empire Centennial Day in California and do hereby call upon all true Californians and visitors alike to join wholeheartedly in this glorious celebration.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 26th day of April, A.D. one thousand nine hundred and thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Issued pursuant to legislative concurrent resolution, calling for observance
of Flag Week, June 8 to June 14, 1939*

WHEREAS, By a concurrent Resolution approved April 11th, 1939, the Legislature indorsed the plan of The United States Flag Association for a National Patriotic Revival culminating in Flag Week, June 8th to 14th next, and authorized and requested the Governor, first, to direct the State Superintendent of Public Instruction to arrange for the suitable observance of Flag Week in all the public schools, and secondly, to issue a Proclamation calling upon the State officials to display the United States Flag on all State Buildings during that period, and inviting the people of the State to fly the Flag at their homes and other suitable places as well as on their cars, and to hold in every community special exercises at which means shall be taken to give significant expression to our thoughtful love of America, our pride in its glorious history, our elation in its magnificent achievements, our belief in the fulfillment of its destiny, our devotion to its ideals and institutions and our determination to uphold and preserve them now and forever:

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, by virtue of the authority vested in me by the said Joint Resolution, do hereby (1) instruct the State Superintendent of Public Instruction to arrange through patriotic exercises and otherwise for the appropriate observance of Flag Week in all the public schools; (2) direct the State officials concerned to display the United States Flag on all State buildings as well as on all State vehicles; and (3) I do invite the people of the State of California to fly the Stars and Stripes at their houses and other suitable places and on their cars, and in every community to hold special ceremonies at which they shall renew their allegiance to the ideals symbolized by the American Flag, among them being National Unity, Patriotic Cooperation and Racial and Religious Tolerance, reaffirm their faith in the institutions of American Democracy embodied in the Constitution of the United States, among them being Freedom of Speech, Freedom of the Press, Freedom of Assembly, Freedom of Religion and Personal Liberty; and give grateful expression of their good fortune to be living under the protecting folds of "Old Glory" in the enjoyment of blessings of life unknown to the people of many other countries in these troublous times when the world has gone mad with racial and religious intolerance, aggression and greed, strife and violence.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of June, A.D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Calling for a special election on the initiative constitutional amendment for
Retirement Warrants and setting the date therefor to be*

Tuesday, November 7, 1939

Petitions signed by approximately 737,000 purportedly qualified electors of this state have heretofore been presented to me, requesting that I call a special state election for a vote of the people on a proposed constitutional amendment initiated by petition making the same request, signed by 366,180 qualified electors and filed in the office of the Secretary of State, under the following title and summary of the general purpose and points of said proposed amendment to the Constitution of the State of California;

"RETIREMENT WARRANTS. Initiative Constitutional Amendment. Requires State issue weekly at least thirty \$1.00 warrants for life to electors fifty years old, neither employer nor employee, redeemable annually in cash, provided stamps sold by State affixed thereon weekly; warrants receivable for all obligations due State or political subdivisions, and some due therefrom. Incorporates Sales, Use Tax Acts. Enacts 3% gross income tax. Creates State bank to handle warrants; made sole depository for all public funds; requires \$20,000,000 bond issue for initial capital. Permits Administrator propose amendments, calling elections thereon. Creates Economics Board. Prohibits courts interfering with administration."

Under Article IV, Section 1, of the Constitution, this proposed amendment must be placed upon the ballot for a vote of the people at the next general election on the first Tuesday after the first Monday in November, 1940, unless a special election is duly called for a vote on the same prior to said general election.

Article IV, Section 1, of the Constitution, provides that when an initiative petition is filed with the Secretary of State:

"The secretary of state shall submit the said proposed law or amendment to the Constitution to the electors at the next succeeding election occurring subsequent to one hundred thirty days after the presentation aforesaid of said petition, or at any special election called by the governor in his discretion prior to such general election."

It is my duty to exercise the authority thus conferred upon me by the Constitution, with sound discretion and due consideration, not only of the request of the proponents and their constitutional right to the initiative, but also the rights of all other electors; in order that the fullest possible opportunity shall be given for thorough consideration, discussion and action by all electors on this important measure.

This proposed measure would make far-reaching changes in the Constitution of the state and vital changes in the whole taxation system under the present Constitution. It contains provisions of an experimental nature affecting the fiscal operations of state and local governments, and involves constitutional questions under provisions of the Constitution of the United States. It, therefore, should be most carefully considered and fully discussed by the voters, dispassionately,

unemotionally, upon the basis of reason only, and in the light of all available facts and information that can be afforded.

The issues raised by this measure are such that they would overshadow all other state issues (and there will be a number of them) on the ballot at the General Election in 1940. They would also overshadow consideration by the voters of the qualifications and principles presented by candidates for the important state and national offices to be voted upon at the 1940 General Election, including candidates for President of the United States.

I am, therefore, convinced that it is wise and just and that it will serve to accomplish more intelligent operation of our democratic processes to have a special election on the question of the adoption or rejection of this measure, free from its confusion with any other statewide issue.

In that belief, I informally stated, when these petitions were formally presented to me, that I would call a special election on this measure after the adjournment of the recent session of the legislature, and that I felt sure the date fixed therefor would be satisfactory to the proponents and to the people as a whole.

In fixing that date, consideration must be given to the fact that a similar measure was voted upon at the general election held in November of last year. If it were not for the fact that hundreds of thousands of people believe that a majority is now ready to accept this measure and that its adoption would mean their economic salvation and their permanent relief from the poverty, insecurity and distress they now suffer; and, if it were not for the far-reaching nature of this measure and the justification above stated for having it voted upon at a special election, I would leave it to be voted upon at the general election in 1940.

The Secretary of State advises that preparation for a special election will require approximately ninety days. The first Tuesday after the first Monday in November is the date on which the electors are accustomed to voting. That date this year is only one year from the date when the similar measure was voted upon by the people. Some local elections will occur, minimizing the expense of a special state election on that date.

All matters considered, I have decided that it is a proper exercise of my discretion to fix the date of this special election for Tuesday, November 7, 1939. This date, I am told by many of the petitioners, is satisfactory to them. It should be satisfactory to all proponents of the measure, as well as all other voters of the state.

In fairness and justice to the proponents of this measure, to all of the electors of the state, and to my own conscience and intellectual freedom. I must repeat here, what I stated when I informally announced my intention to call this special election; that it must not be inferred from this call that I believe this measure feasible or that, if adopted, it would work to accomplish the objectives of its proponents.

I am thoroughly in sympathy with and I shall continue to work, as I have heretofore worked, for those objectives, that is to say: for the social security of all citizens; for relief from economic submergence, poverty, and distress of so large a portion of our population expressed

in the demands which the proponents of this measure believe they can realize by its adoption.

The demand for old age retirement and security is a vital issue throughout the nation.

That demand is manifested in this and other movements appealing to the distress of the aged, the unemployed, and the under-employed.

The platform on which I was elected recognized that fact, and affirms that for uniformity, equity and financing, old age pensions in their entirety should be provided for and administered by the Federal Government.

I would be false to my own conscience and sense of duty if I failed to here express my belief that, if adopted, this measure would fail to achieve its objectives, would disappoint the hopes of its supporters, and would retard instead of aiding our progress to a better economic order.

I must also state that there are provisions with regard to the use of unstamped warrants for legal payment of taxes and other obligations, which the judicial branch of the government may hold to be inconsistent with certain provisions of the Constitution of the United States. However, the act provides that if any one or more sections are held unconstitutional, other constitutional sections would not thereby be affected; and there are other sections which may be held constitutional.

It is the right of the petitioners to propose, and the right of the electors to adopt this measure if that is the will of a majority of the people. It is that right that I respect and shall protect to the limit of my power against any obstruction to its exercise.

With this explanatory statement, I, CULBERT L. OLSON, Governor of the State of California, by virtue of the authority vested in me by Article IV, Section 1, of the Constitution of the State of California, do hereby call and proclaim a special election to be held throughout the State of California on Tuesday, the 7th day of November, 1939, at which election there will be submitted to the qualified electors of said state for adoption or rejection in accordance with the provisions of Section 1 of Article IV, of the Constitution of said state, that certain initiative measure proposed by initiative petition filed with the Secretary of State and bearing the title and summary above set forth.

And I do hereby offer a reward of One Hundred Dollars for the arrest and conviction of any and every person violating any of the provisions of Title Four, Part One, of the Penal Code, or of Division XIV of the Elections Code, whichever be in effect; such rewards to be paid until the total amount hereafter expended for the purpose reaches the sum of Ten Thousand Dollars.

IN WITNESS, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed hereto, this 1st day of July, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Designating the period of September 11-24, 1939,
as "Air Progress Period"*

WHEREAS the Federal Government, States, Cities and many national organizations have set aside the period of September 11th to 24th inclusive for the observance of air progress; and

WHEREAS America holds a unique position in the development of aviation because two American aviators, Orville and Wilbur Wright flew the first heavier-than-air machine and thus opened the advantages of flying to the world, and

WHEREAS our nation now has extensive commercial airways reaching from coast to coast, and border to border, and from this nation to many other nations of the world, and

WHEREAS the State of California has numerous large airplane factories, many wonderful airports and an ever increasing number of commercial and private planes; and

WHEREAS our government is training 15,000 men to fly at hundreds of colleges and flying schools, and there is, as a result of this undertaking and others of equal magnitude a recognized development and continuous increase of the nation's aeronautic facilities; and,

WHEREAS the modern state owes itself a study of these developments and also of the possibility for still further extension of its flying facilities for commercial, research and defense:

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby designate and proclaim the period of September 11th to 24th inclusive, 1939, as "Air Progress Period," for the observance of air progress by the citizens of this State, and I ask each community to select for its local observance such day or days in the appointed period as it may find most convenient and fitting. I urge all citizens to participate in these events to obtain a fuller knowledge of aviation, its problems, its advantages, and to pay tribute to the men and women who have made America's air progress possible."

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of August, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Setting aside the week of October 8, 1939, as "Newspaper Week"

Prospects of another world war, a conflict which has already engulfed Europe—and with the resultant unrest and fear in other nations of the earth; American newspapers today, as never before, are charged with the gravest responsibility—the responsibility of disseminating facts from propaganda which always comes from nations in conflict.

Through factual presentation of happenings at home and abroad, through a critical yet cooperative editorial attitude toward public affairs, the newspapers can be of tremendous and far-reaching service to the whole of civilization.

Our constitutional guarantee of freedom imposes greater responsibilities than ever before upon the newspapers of our country.

Honesty of editorial opinion—unselfishness and intelligent and clear-cut presentation of the news, constitute the foundations of a free press.

In view of these sentiments and in recognition of the powerful position occupied by the press in our daily life, it is fitting that a period be set aside for the people to take stock of the manner in which the newspapers of California are performing their duties with respect to fair and unbiased treatment of the news.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the week of October 8th to 14th, inclusive, as "Newspaper Week" in California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 14th day of September, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Commemorating Printing Industry Week,
September 25 to September 30, 1939*

In commemorating the three hundredth anniversary of printing in America, the United States Post Office will, on September 25th, issue a special three cent postage stamp, an honor justly deserved by the printing trades.

From an humble beginning, with crude, hand-cut wood type and slow hand presses, the printing industry has grown to be one of America's ranking industries, highly specialized and commercialized.

The printing industry has contributed greatly to the cultural advancement of our nation. It is an art and a trade. Not only has it contributed to the cultural side of our daily lives; it has become one of the leaders of all American industry.

Today, three hundred years since printing was introduced to Colonial America, the industry ranks first in the number of establishments; first in value of production added by manufacture; first in the number of salaried employees; first in salaries paid; fifth in number of wage earners; third in wages paid, and fifth in value of products produced.

Notable in the achievements of the printing industry has been its labor record. Highly unionized with its typographical unions, its pressmen's unions and its stereotypers' unions, it has made strides far overshadowing other industries, trades, and crafts, that have inclined to submerge labor rather than cooperate with labor in bettering working and living conditions.

It is fitting that the printing industry be given due recognition for its contributions to our cultural and industrial advancements.

In view of these considerations, now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the week of September 25th to September 30th inclusive, as "PRINTING INDUSTRY WEEK" in California and urge all citizens during this week to commemorate the tremendous strides made by the printing industry for the betterment and enlightenment of all the people in our lifetime.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 25th day of September, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Calling for the observance of "Fire Prevention Week,"
October 8 through 14, 1939*

While fire prevention is naturally a matter of continuous concern, nevertheless it is appropriate that a definite period of time be set aside for a consideration of the problems involved in this important national movement.

Paradoxical as it may seem, fire is one of the most constructive and at the same time, by virtue of the same power, it is one of the most destructive agencies of human progress: and it may be the one or the other without changing its elemental qualities. Whether or not it creates or destroys value depends upon the care or carelessness with which it is released. For this reason the use of fire is fundamentally a matter of control, involving the prevention of accidental, thoughtless or intentional action on the part of the individual or the group.

Accordingly, too much attention cannot be given to the general and specific efforts to encourage people everywhere to support measures of private and public fire protection in order that habits of thoughtfulness and caution may avoid needless and destructive fires.

In view of the importance of developing an attitude of practicing extreme care in this connection, *now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the period between October eighth and fourteenth as "Fire Prevention Week" in this State.*

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 25th day of September, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Establishing October 9, 1939, as Leif Erikson Day
in California*

Nine hundred and thirty-nine years ago Leif Erikson, son of Erik the Red, settler and founder of the Republic of Greenland, landed on the shores of North America. He was a seafaring, progressive man, endowed with the Scandinavian principles of democracy which originated with the Scandinavian people as early as the year 900.

Democratic qualities and principles of the Vikings were carried by the Sea-rovers into North America, and their desires for freedom and individual liberty were so instilled in the country's early settler that they were incorporated in the Constitution of the United States and its Bill of Rights.

This year, Scandinavians and people of Scandinavian descent throughout the world, will honor and pay tribute to Leif Erikson on his birthday which falls on October 9th.

In honor and respect to the contributions the Scandinavian people have given to the democracies of the world, and to the achievements and accomplishments of Leif Erikson, *now, therefore, I*, CULBERT L. OLSON, Governor of California, do hereby proclaim October 9th as Leif Erikson Day in California, and urge all people of Scandinavian descent to pay tribute to this great explorer.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 26th day of September, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Calling for observance of "General Pulaski Memorial Day,"

October 11, 1939

To the Polish people and those of Polish descent; I mourn with you for death, destruction and tragedies of war which now inflict the country whence you and your forefathers came.

This year, as in many years past, people of Polish descent, and people of all nationalities in the United States, will pay honor and respect to Brigadier General Casimr Pulaski, a hero of the American Revolutionary War. The heroic deeds of this Polish General are known to all people who are familiar with the history of our democracy, and his memory is honored for the noble assistance he gave George Washington in fighting for the independence of this nation.

But this year, on October 11th, when the people pay tribute to Brigadier General Casimr Pulaski, the day will be observed with sadness in our hearts instead of jubilation as in past years.

It is fitting that on October 11th, all Americans should pay respect and homage to this man who helped give our country its freedom, and at the same time fervently pray that the reconstruction of Poland and the future destiny of its people will be for their permanent peace, progress and prosperity.

Therefore, in view of these considerations, I, CULBERT L. OLSON, Governor of California, do hereby proclaim October 11th as "General Pulaski Memorial Day" in California, and urge the people to observe this day in the schools and other suitable places with appropriate ceremonies.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 26th day of September, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Declaring the week of December 4, 1939, to be "Thomas Hill Week"

This autumn marks the one hundred and tenth anniversary of the birth of Thomas Hill, one of the greatest of California's artists, who has depicted California scenes and whose paintings are now on exhibition throughout the nation and the world.

Thomas Hill came to California in the year 1860 and settled in San Francisco. He immediately took an interest in the historic events taking place in the Far West and painted scenes of the Yosemite Valley, Donner Lake, the Sierra Mountains and Yellowstone Park. His most famous painting is undoubtedly "The Driving of the Last Spike", which is not only a beautiful art object, but a scene of historic significance.

It is most appropriate, therefore, from both artistic and historical consideration, that the people of the State of California, on this occasion of the one hundred and tenth anniversary of the birth of Thomas Hill, celebrate a week during which art galleries and exhibits throughout the state and nation will feature the works of this great Californian.

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim the week of December fourth through December tenth to be "Thomas Hill Week" and call upon the citizens of California to pay tribute to and to display and study the paintings of Thomas Hill.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of November, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Designating Sunday, December 17, 1939, as "Finland Day"

The deep rooted American sense of freedom has been greatly shocked by the sudden invasion of Finland by a powerful aggressor nation. Finland is not a rich country and its people have little reserve for such a great emergency.

Air raids and bombings have driven hundreds of thousands of Finnish women and children from their homes in the middle of a severe northern winter into other sections of their own country, and some have been forced to flee into friendly neighboring countries. A majority of these people are destitute, without funds, homes or warm clothing. Food supplies are running low and starvation faces many. Yet in the face of this aggression, the Finnish people are bravely resisting the invaders—are fighting against great odds to protect their democratic government and the freedom they love.

There has been established in the United States, a Finnish Relief Fund, headed by former President Herbert Hoover. It is the purpose of this relief organization to financially aid the Finnish people who are suffering from the effects of this invasion. Cooperating with the committee are the daily newspapers of America. These newspapers are receiving contributions made by our citizens to aid the suffering Finnish people.

Sunday, December 17th, is being established as "Finland Day" throughout the United States so that the cause of the Finnish people may be brought closer to the minds of our citizens.

I seek the cooperation of the citizens of California in furthering the cause of the Finnish Relief Fund, and hereby call upon every Mayor to issue a suitable Proclamation designating Sunday, December 17th, 1939, as "Finland Day" in California, and ask that all citizens contribute what they can to the Finnish Relief Fund through their local daily newspapers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 12th day of December, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATIONS

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PROCLAMATION

*Setting aside January 1, 1940, as "Goodwill Day and
Good Neighbor Day" in California*

On this day, January 1, 1940, I extend every best wish for a happy, peaceful and progressive New Year to all of the people of the State of California.

I wish them happiness and good will towards each other, which can only be achieved by discarding petty prejudices; by setting aside personal animosities against their fellowmen; by uniting in spirit and in action in the progressive movements which aim to better mankind; by elevating the social and economic standards of the thousands of our citizens who are forced by unfortunate circumstances into a sub-standard existence.

With war being waged in many foreign nations, I fervently hope peace is secured for the people now suffering from uncalled-for aggression. It is my sincere hope that the people of the United States, regardless of the outcome of foreign conflicts, continue to enjoy the peace which is their heritage in this democracy.

And may there also be less internal conflict within our borders; less strife between labor and industry; less violations of civil liberties and less agitation by selfish interests that disrupt our normal peaceful daily lives.

During the year 1940, may progressiveness in our social, economic and political affairs be ever prevalent; may the many beneficial gains made throughout the United States during the past six years under the leadership of President Franklin D. Roosevelt not be sacrificed by a return to the unsocial policies of a so-called conservatism which have heretofore brought our institutions to the brink of ruin and threatened the perpetuation of our democracy. May the liberal philosophy we now enjoy be the keyword politically in California and in the nation in 1940.

And may friendliness and goodwill towards each other be our aim, not only on this New Year's Day—but on every day throughout the year.

Now, therefore, in view of these considerations, I, CULBERT L. OLSON, Governor of California, do hereby proclaim January 1, 1940, as "Goodwill Day and Good Neighbor Day" in California, and ask all citizens to observe not only this day, but every day throughout the year as "Goodwill and Good Neighbor Day" with the hope that by adopting this friendly spirit, the social and economic advancement we desire may be achieved.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of December, A. D. one thousand nine hundred thirty-nine.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: FRANK C. JORDAN
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring that an emergency exists within the boundaries of the
County of Yolo due to flood conditions*

WHEREAS, extraordinary floods occurring in the County of Yolo, State of California, have forced some seventy or more families to leave their homes, and local authorities have no funds or property adequate to care for such families; and

WHEREAS, the Department of Natural Resources has on hand tents, cots, mattresses, bedding, clothing and similar state equipment used in fighting fires and in similar situations, which are not indispensable for the work of that department at the present time;

Now, therefore, I, CULBERT L. OLSON, Governor of California, pursuant to the provisions of Chapter 662, Statutes of 1929, do hereby declare an emergency to exist by reason of extraordinary floods within the boundaries of the County of Yolo, necessitating the furnishing of tents, cots, mattresses, bedding, clothing and similar equipment to persons forced from their homes in the said area by reason of such floods; and the Department of Natural Resources of the State of California and the divisions, sub-divisions and agencies thereof are hereby authorized to loan such tents, cots, mattresses, bedding, clothing and similar equipment under the jurisdiction of said department, the divisions subdivisions and agencies thereof, to the flood sufferers, or local authorities, or relief agencies, aiding such flood sufferers, until such time as said sufferers are able to return to their homes, or until a reasonable time has elapsed within which they may provide themselves with similar equipment; and the Department of Finance of the State of California, and the divisions, sub-divisions and agencies thereof, are hereby authorized to permit the use of such un-used state buildings and grounds as may be necessary to temporarily house and care for such persons during this emergency.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of February, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring the existence of an emergency within the boundaries of the
basin of the Sacramento River and its tributaries*

WHEREAS, extraordinary floods have occurred on the Sacramento River and its tributaries, inundating populated areas and thousands of acres of highly developed farm lands and forcing hundreds of families from their homes; and

WHEREAS, there are many breaks in the levees protecting said areas; and

WHEREAS, unless said levees are repaired the normal spring freshets and melting snows will raise the rivers and streams in the Sacramento River basin and cause water to flow out through these levee breaks and further inundate part of said lands and prevent their rehabilitation and the resettlement of their population thereon; and

WHEREAS, unless said levee breaks are repaired and the population of said areas returned to their homes and farms, they will be prevented from earning their livelihoods and will require public assistance.

Now therefore, I, CULBERT L. OLSON, Governor of California, pursuant to the provisions of Chapter 662, Statutes of 1929, and pursuant to the recommendation of the State Emergency Council, do hereby declare an emergency to exist within the boundaries of the basin of the Sacramento River and its tributaries, and I hereby instruct the Director of the Department of Public Works of the State of California to make an immediate survey of said area, and to determine the location and extent of the damage caused by the past floods, of levee breaks, of the potential danger of further floods at the time of the spring freshets, and of the best method of rehabilitating the inundated lands within said area and restoring the population of said lands to their homes and farms, and to take such further steps as are necessary to rehabilitate said area and its population.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 5th day of March, A. D. one thousand nine hundred forty.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Setting aside the week of May 5, 1940, as National Music Week
in California*

The appreciation of good music is a measure of the quality of a people's culture. Their freedom to cultivate the art and love of music is a measure of their economic and spiritual well being.

Now, therefore, in recognition of established custom, and in recognition of the constructive and fruitful efforts of the men and women who are giving America a true love for music, and

IN EMULATION of the St. Cecilia Society of our country's colonial days, and

IN EMULATION of Thomas Jefferson who prescribed that courses in music be offered by the University of Virginia which he founded,

I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the week of May 5th, 1940, as "National Music Week" in California. And, in pursuance thereof, bespeak expression of the interest in music by all citizens; their attention to the special programs devised for their instruction and enjoyment, and their support of all efforts to inculcate the love and appreciation of good music as an essential art of good living.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 3d day of May, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Calling upon Californians to observe the work of the Works Projects
Administration and declaring the week of May 20, 1940, as
"This Work Pays Your Community" Week*

WHEREAS, thousands of California men and women have, during the past four and one-half years, been given gainful and worthwhile employment by the Works Projects Administration on construction, professional, and service programs sponsored by State County and City bodies, and

WHEREAS, the Federal Works Agency has designated the fourth week of May for national observance when sponsors of WPA projects may make special efforts to acquaint the people with the achievements of the work programs in terms of the benefits derived in all sections of the State.

Now, therefore, by the authority vested in me as Governor of the State of California, I do hereby proclaim the week of May 20-25, as "THIS WORK PAYS YOUR COMMUNITY" Week, and I cordially invite the citizens and taxpayers of all communities of the State to visit during that week the work projects in operation to evaluate the results of their investment in WPA professional and service projects.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of May, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Calling for observance of the 1940 opening of the California Golden Gate
International Exposition, May 25, 1940*

WHEREAS, Saturday, the twenty-fifth day of May, nineteen hundred forty, has been set as the date for the official 1940 opening of the California Golden Gate International Exposition on Treasure Island in San Francisco Bay; and

WHEREAS, the California Golden Gate International Exposition this year will be a beacon of peace and good will in the Western Hemisphere, and

WHEREAS, because of the educational advantages this Exposition offers the people of the United States and Pan-American Nations in culture, art, science and industrial progress, and,

WHEREAS, the year 1940 will be a travel-in-America year, and

WHEREAS, it will be in the best interests of the State of California and the citizens thereof that this epochal event, the opening of the 1940 California Golden Gate International Exposition, should be generally observed and that all persons desiring to attend the opening of this remarkable Exposition should be given the opportunity to do so;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby set aside and proclaim Saturday, the twenty-fifth day of May, nineteen hundred forty, to be a public holiday throughout the State of California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of May, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Establishing the month of June, 1940, as National Dairy Month
in California*

From time immemorial, the inter-dependence of man and his cattle has been an outstanding feature of the world's development. The cow has pioneered the march of civilization from Abraham's time to the present day.

There are 677,000 dairy cows in California. Dairying is our leading agricultural industry. One dollar out of every four of California's agricultural income is a dairy dollar. The 30,000 dairy farmers of California and the 880 licensed processing and manufacturing plants provide permanent employment twelve months in the year for many thousands of our citizens.

Milk and dairy products are essential to human life and health from the cradle to the grave. Designed by nature exclusively for food, milk contains practically all the essential elements of nourishment. Scientists term it our most nearly perfect food.

June is the peak month of the nation's milk production. This year's production is greater than at any time in our history. Our farmers are confronted with a possible surplus.

I have been informed that the producers and purveyors of milk and other dairy products have joined in a nationwide movement to promote the largest possible consumption of these essential foods in the coming weeks, and desiring that the people of California shall benefit from this laudable effort.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the month of June, 1940, as National Dairy Month in California and recommend appropriate observance in honor of the dairy industry and urge all our citizens to expand their enjoyment of these wholesome products.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of May, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring September 14, 1940, to be Central Valley Project Day
in California*

The Central Valley Project, once a dream, rapidly is becoming a reality. Heavy construction work is under way at both Shasta and Friant dams. Rivers are being diverted, railroads and highways relocated, and the Contra Costa Canal, one of the features of this great project, already is in operation. The Federal government is spending \$23,600,000 on this year's construction program alone.

This far-flung project is designed to protect our farms and cities from floods, replenish depleted underground water supplies, bring large additional dependable supplies of irrigation and domestic water, and in addition, to make available to the cities and farms alike, large new sources of hydro-electric power at low rates.

Dedicated to serving humanity, socially and economically, this vast project is the result of clear visioned persons and well directed efforts of planning, developing and constructing, made possible by the cooperation of governmental agencies and citizens from all walks of life.

Continued cooperation and effort on the part of the State and its citizens is necessary if the Central Valley Project is to serve the purposes for which it is being built. Districts must be organized for the public distribution of water and power from the project, so that the people may share directly in the benefits of public distribution of these commodities.

Rural electrification can be expanded until it reaches every farmhouse in California, no matter how remote. Public ownership of distribution facilities will place the power developed by the Central Valley Project directly in the hands of the people and eliminate for all time rates based on the pyramided valuations enjoyed by the private utilities.

These great benefits can be achieved by concerted effort on the part of the people and communities which the Central Valley Project will serve and I feel that they should be emphasized in setting aside a day dedicated to the Central Valley Project on which we may join with all people of the Construction Industries on Treasure Island in paying due respect and honor to this magnificent monument to man's achievement.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the Fourteenth Day of September, 1940, to be Central Valley Project Day in California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 5th day of July, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Setting aside August 19, 1940, as "Aviation Day"
in California*

August 19th, anniversary of the birth of Dr. Orville Wright, who, with his brother Wilbur, constructed and was the first man to fly a heavier than air power machine, has been designated by congressional resolution as "National Aviation Day".

No proclamation is necessary this year to call public attention to this fastest growing industry of California and we would be inconsiderate of that industry and of the stressful demands of national defense upon it were we to ask any of the men and women engaged in any of the branches of aviation to interrupt their work to celebrate this day, but it is entirely fitting that at this time we reflect on the significance of the growth of aviation and its effect on mankind.

The first flight in a heavier than air power machine was made less than four decades ago, December 17, 1903; today air power is changing the course of empires. And doubtless it will continue to exercise a tremendous influence on world affairs and on all the peoples of the earth throughout all time to come. In the episodes of history there are and still will be those in which the might of aviation is used for evil as well as those in which it plays the part of a ministering angel of good. Inevitably aviation, whether used for the waste and beastiality of war or for the gainful trade and intercourse of friendly people, makes the world smaller. It dwarfs mountains, contracts deserts and spans oceans; as it adds striking power to the aggressor, it gives potent defense to the attacked.

Aviation itself is neither good nor evil but it is a tool of mighty power in the hands of man, adding to his responsibility, multiplying the suffering and destruction which the ruthless can wreak or likewise extending the breadth of the fields in which friendship, kindness and mutual gain can flourish.

Here in California where the roar of airplane engines is suggestive not of bombs, destruction, death or horror, but rather of the conveniences of transportation, the pleasures of sport, and the benefits of a great civil industry, giving employment to many thousands of our citizens, let us today be thankful for the blessings of peace and democracy, recognize our moral and social responsibilities to each other, and rededicate ourselves to the principles of that democracy, acknowledging the worth of all our citizens and our accountability each to the other. Let us strive afresh to make of our land a better place in which to live—not merely better for ourselves but better for all our people—to discharge more fully our duty as social beings in alleviating the sufferings of those in want and elevating the living standards of the less fortunate of us, all to the end that we may deserve and thereby preserve the blessings of democratic freedom and peace—and that the roar of the airplane engines shall continue to be significant here only of peace, prosperity, friendly trade and good will.

In view of these facts, now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim August 19th as "Aviation Day" in California and urge all citizens to take stock of the remarkable growth of the aviation industry in California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 13th day of August, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring September 15, 1940, as "Constitutional Sunday" and the
week of September 15 as "Defend America Week"*

WHEREAS, the Democratic processes of equality and freedom on which the American nation is built are challenged by forces abroad and within our own boundaries, and,

WHEREAS, September 17th marks the 153rd Anniversary of the adoption of the Constitution of the United States, and,

WHEREAS, today there are forces at work with the aim and intent of destroying our national unity, substituting the hatreds and bitterness of the old world for our constitutional guarantees of political and religious freedom; forces that are attempting to crush the freedom of speech and press and other inalienable rights for which our fathers fought to establish and have fought to defend, and,

WHEREAS, to defend these Democratic liberties it is necessary that all liberty loving loyal citizens unite to resist any inroads that may be attempted upon our national security by un-American forces working from without or from within our national boundaries.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do proclaim Sunday, September 15, as "Constitutional Sunday", and the period from September 15th through September 21st, as "Defend America Week" in the State of California, and urge all citizens to be conscious of their obligations to maintain a united America, strong in its defense of civil liberties and human rights, and ever vigilant in defending this nation and its democratic institutions against any foreign foe or combination of foes.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 12th day of September, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Calling for the first registration under the Selective Training and Service Act of 1940

WHEREAS, Congress has enacted and the President of the United States has approved the Selective Training and Service Act of 1940; and

WHEREAS, said act declares that it is imperative to increase and train the personnel of the armed forces of the United States and that in a free society the obligations and privileges of military training and service should be shared generally in accordance with a fair and just system of selective compulsory military training and service; and

WHEREAS, the said act contains, in part the following provisions: Sec. 2. Except as otherwise provided in this Act, it shall be the duty of every male citizen of the United States, and of every male alien residing in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of twenty-one and thirty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner and in such age group or groups, as shall be determined by rules and regulations prescribed hereunder.

Sec. 5 (A). Commissioned officers, warrant officers, pay clerks, and enlisted men of the Regular Army, the Navy, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, the Public Health Service, the federally recognized active National Guard, the Officers' Reserve Corps, the Regular Army Reserve, the Enlisted Reserve Corps, the Naval Reserve, and the Marine Corps Reserve; cadets, United States Military Academy; midshipmen, United States Naval Academy; cadets, United States Coast Guard Academy; men who have been accepted for admittance (commencing with the academic year next succeeding such acceptance) to the United States Military Academy as cadets, to the United States Naval Academy as midshipmen, or to the United States Coast Guard Academy as cadets, but only during the continuance of such acceptance; cadets of the advanced course, senior division, Reserve Officers' Training Corps or Naval Reserve Officers' Training Corps; and diplomatic representatives, technical attaches of foreign embassies and legations, consuls general, consuls, vice consuls, and consular agents of foreign countries, residing in the United States, who are not citizens of the United States, and who have not declared their intention to become citizens of the United States, shall not be required to be registered under section 2 and shall be relieved from liability for training and service under section 3 (b).

WHEREAS: the first registration under the Selective Training and Service Act of 1940 shall, pursuant to the proclamation of the President of the United States take place on Wednesday, the sixteenth day of October, 1940, between the hours of 7 A.M. and 9 P.M., and every person shall be deemed to have notice of the requirements of this act

upon the publication of said proclamation; and every person is required to familiarize himself with the rules and regulations governing registrations and to comply therewith; and

WHEREAS: in said proclamation the President of the United States has called upon the Governors of the several states to provide suitable and sufficient places of registration within their respective jurisdictions and to provide necessary registration boards to effect such registration, and has called upon all officers and agents of the several states and subdivisions thereof to do and perform all acts and services necessary to accomplish effective and complete registration, and has especially called upon all local election officials and other patriotic citizens to offer their services as members of the Board of Registration, and has called upon me to carry out the registration and supervise the selective service system within this State with the necessary assistance and supervision of the National Selective Service Administration.

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim as follows:

1. The first registration under the Selective Training and Service Act of 1940 shall take place on Wednesday, the sixteenth day of October, 1940, between the hours of 7 A.M. and 9 P.M.

2. I call upon every male person in the State of California, who is required to register by said act, to present himself between the hours of 7 A.M. and 9 P.M., on Wednesday, October 16, 1940, before a registration board at his usual election polling place or other place designated therefor by local election officials.

3. I call upon all officers of the State of California and political subdivisions thereof and all local election officials to perform whatever acts may be required to insure registration pursuant to the President's Proclamation and the Selective Training and Service Act of 1940, and to perform these patriotic services without pay,

4. I call upon every employer to cooperate to the fullest extent with those of his employees who are required to register, so that such employees may have time away from their work to perform the duty enjoined upon them by the said act.

5. Finally I call upon every person in the State of California to contribute his services freely so that this state may participate to the fullest, as it always has in the past, in this great undertaking of patriotic service.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of September, A. D. one thousand nine hundred forty.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK

Secretary of State

By CHAS. J. HAGERTY

Deputy Secretary of State

PROCLAMATION

*Finding that an emergency exists in California in preparation for the
National Defense*

WHEREAS, Section 152.5 of the State Civil Service Act provides that:

“Whenever the United States is engaged in war or whenever the Governor finds and proclaims that an emergency exists in preparing for the national defense, any permanent civil service employee of the State, in good standing, shall be entitled to a leave of absence for military service for the duration of the war or until the Governor finds and proclaims that the emergency no longer exists, and for ninety days thereafter, or until ninety days after the termination of the enlistment made during such war or emergency,” and

WHEREAS, a state of war now unhappily exists between certain nations; and

WHEREAS, this state of war imposes upon the United States and each state thereof, certain duties with respect to the strengthening of the national defense; and

WHEREAS, the President of the United States of America did, on the eighth day of September, Nineteen hundred and thirty-nine, proclaim that a national emergency exists in connection with the strengthening of our national defense:

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do find and proclaim that an emergency exists in preparing for the national defense.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2d day of October, A. D. one thousand nine hundred forty.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Establishing and appointing a Board of Traffic Safety
for California*

WHEREAS, year after year, thousands of persons are killed or injured in automobile accidents on California streets and highways, and

WHEREAS, investigations prove that most accidents can be averted by the exercise of greater caution and care, and

WHEREAS, it is recognized that prevention of accidents is a function as well as an obligation of government, and

WHEREAS, there are several Departments of the State Government whose duties are linked closely with highway safety and whose personnel are especially qualified to organize and conduct a well balanced program of accident prevention, and

WHEREAS, it is deemed desirable to establish a state-wide clearing house for traffic safety promotion, information and assistance,

Now, therefore, I, CULBERT L. OLSON, Governor of California do hereby appoint the following State Officials to serve as a Board of Traffic Safety and I charge them with the responsibility of preparing and conducting a traffic safety program designed to provide the utmost in highway safety:

JAMES M. CARTER, Director of Motor Vehicles

W. A. HUGGINS, Coordinator of Traffic Safety Education

E. RAYMOND CATO, Chief, California Highway Patrol

FRANK W. CLARK, Director of Public Works

MORGAN KEATON, Deputy Director of Public Works

J. W. VICKERY, Safety Engineer, Division of Highways

DR. WALTER F. DEXTER, Superintendent of Public Instruction

DR. A. A. DOUGLASS, Asst. Superintendent of Public Instruction

ALFRED E. LENTZ, Administrative Advisor, Dept. of Education

DAVID L. FOUTZ, Governor's staff

Further, I do hereby urge all individuals and organizations interested in traffic safety to cooperate with and to utilize the facilities of this Board of Traffic Safety in order that the safety program for 1941 shall be uniform, widespread and effective.

Further, I do hereby designate 1941 as Safety Year. I want it to be the safest in our history. I therefore call upon every citizen of California to drive with more care and walk with more caution.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23d day of December, A. D. one thousand nine hundred forty.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK

Secretary of State

By CHAS. J. HAGERTY

Deputy Secretary of State

PROCLAMATIONS

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PROCLAMATION

*Establishing Wednesday, February 5, 1941, as Social Hygiene Day
in California*

WHEREAS, Wednesday, February 5, 1941 has been designated as Fifth National Social Hygiene Day by the American Social Hygiene Association in cooperation with official and voluntary health, medical, welfare and civic organizations of this state, and

WHEREAS, the object of this national observance is to extend public knowledge of one of man's greatest enemies syphilis, and the power of medical science to lessen this scourge and relieve the suffering caused by it, and

WHEREAS, special efforts are being made to protect soldiers, sailors and defense industrial workers from syphilis and gonorrhea and

WHEREAS, public attention is being directed toward any conditions which may endanger the health and morale of the armed forces.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim Wednesday, February 5, 1941 as Social Hygiene Day and do hereby urge all residents of the State of California to consider these vital health problems and to aid in the protection of our men in military training camps, naval bases and defense industries.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of January, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Setting aside the week of February 22, 1941, as "National
Brotherhood Week"*

"National Brotherhood Week", observed annually during the week of Washington's birthday, is again being sponsored for the eighth consecutive time by the National Conference of Christians and Jews. It is fitting this year that special observance be given by all American citizens.

The American people are blessed, above all others, because our land was settled at a time when men and women were searching for freedom; because they found here a new, unsettled, untouched, unspoiled land in which they could spread out and in which freedom and brotherhood could flourish. Our ancestors came of all racial stock. They came from many lands. They professed many creeds, and here in America they discovered how good and how pleasant it is for brethren to dwell together in unity and practice a virtue little known in the lands whence they came, tolerance; tolerance of religious, racial and national political differences; tolerance which enabled them to live and work together; tolerance out of which was formed the very foundation of our American democratic government with our American Bill of Rights.

Tolerance, in other words, is a basic factor; perhaps the basic factor of our national greatness, and here we find the reason why those who in this dark and critical period seek to divide and thereby rule by recreating and promoting here in America the old religious and racial intolerances and national misunderstandings which for centuries have fed the flames of war in Europe.

Our national safety is threatened, and with it all of the democratic institutions of freedom that we, as Americans, hold dear. The price of national safety is unity. The price of unity is tolerance and brotherhood.

Let us therefore ignore the cries of demagogues; let us rise above the prejudices and bigotries and misunderstandings that they seek to foment but which can only serve to sap our national vigor.

I call upon all citizens of California to join with the President of the United States, with the Conference of Christians and Jews, and with the citizens of all other states in the observance of "National Brotherhood Week", in recognition of the brotherhood of man, during the week of February 22nd through February 28th, 1941, which I, CULBERT L. OLSON, Governor of California, do hereby proclaim as "Brotherhood Week" in the State of California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of February, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

*Declaring the period of February 11 through February 15, 1941
as "Negro History Week"*

On September 5th, 1915, there was organized an Association for the study of Negro life and history in America.

The following year there was published a journal of Negro history, a scientific magazine which has been published quarterly ever since.

In 1926, after eleven years of successful operation in scientific research under the Federal Department of Research, there was established a "National Negro History Week" which has become an occasion for public exercises drawing special attention to the achievements and advancements of the Negro.

This year "Negro History Week" begins on February 11th, the birthdate of Abraham Lincoln, the great emancipator, and schools, colleges and various fraternal, civic and social organizations will devote a portion of that period to the study of Negro life in local communities.

In view of these facts, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the period of February 11th through February 15th, 1941, as "Negro History Week" in the State of California and urge that the citizens generally take recognition for the splendid advancements achieved by the American Negro in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of February, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

*Attest: PAUL PEEK
Secretary of State*

*By CHAS. J. HAGERTY
Deputy Secretary of State*

PROCLAMATION

Declaring the week of March 21, 1941, to be "Greek Relief Week"

To the People of the State of California, Greetings:

WHEREAS, in its defense of the democratic way of life, Greece has earned the admiration of all liberty loving peoples,

AND WHEREAS, in this courageous struggle the women and children of Greece are enduring great privation, hunger, and suffering which we in our great democracy should do all in our power to alleviate;

Now therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the week of March 21st, 1941, to March 27th, 1941, inclusive, as "GREEK RELIEF WEEK" and call upon the citizens of this great State to support and help in every possible way this worthy cause.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 3d day of March, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Setting aside April 7, 1941, as Army Day

The United States Congress by Resolution and the President of the United States by Proclamation have designated April 6th as "ARMY DAY."

It was the intent and purpose of President Roosevelt's proclamation that the Military units of the United States assist civic bodies in conducting appropriate celebrations on this day.

This year the observance of ARMY DAY is of much more importance to American citizens than at any other time within the past two decades. ARMY DAY this year will be observed, not in the sense that we are preparing a great aggressive military campaign, but in the sense that we are building a strong defense for our self-reliant, patriotic people, intent upon taking no chances that any foreign foe or combination of foes will ever dare to attack American shores.

If democracy is crushed through the military might of ruthless brigands in the eastern hemisphere, America is determined to make sure that it shall not happen here.

In California we have more army encampments, with our total of thirty-five, than any other state in the Union. To date, 25,850 of our youth have been inducted for military training under the provisions of the Selective Service Act, and 12,167 more will be called before June 30. Our National Guard with its 760 officers and 12,000 enlisted men are in active training as an important part of our regular army force.

In view of these facts, I, CULBERT L. OLSON, Governor of the State of California, proclaim Sunday, April 6th, 1941 as "ARMY DAY" in the State of California, and call upon all civic and patriotic bodies throughout the State to prepare and conduct military parades and celebrations in observance of this day, and I likewise call upon all churches to observe this day as a day of prayer for the peace and security of our country. On Monday, April 7th, in further observance of "ARMY DAY" I request that the American Flag be flown on all public buildings, and displayed in all school class rooms throughout the State.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 22d day of March, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Declaring Sunday, May 18, 1941, to be "I am an American Day"

Citizenship in the United States of America is a priceless and sacred possession.

Those of us so fortunate as to be citizens by birth must be made to understand that citizenship in a democracy is an inescapable challenge to make our democracy work. It charges us to maintain such a high degree of citizenship that the Statue of Liberty shall always convey to the peoples of the rest of the world that the right to live in a free country—a democracy, is the greatest benefaction of mankind.

Those who are citizens by naturalization, have gained the right to live under the laws of this nation as a free people, in harmony, in peace, and in security; they have gained the right to participate in the workings of our government. By their oath they have also pledged themselves to uphold the Constitution of the United States and to protect our nation, when the need arises, against any attack by any foe.

The right to say "I Am An American" today is the grandest privilege a person can have. It means faith in democratic processes. It declares to foreign dictators that their philosophies shall never find root in America.

The President of the United States, by proclamation, has designated the third Sunday in May as "I Am An American Day" and has asked that it be observed in recognition of American citizenship.

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim Sunday, May 18th, 1941, as "I Am An American Day", and urge that this day be observed in patriotic fashion by all citizens both native and naturalized so that our children shall gain a fuller appreciation of the meaning of American citizenship. I call upon all public officials, all patriotic, civic, religious and educational organizations in the State of California to join in appropriate programs glorifying the meaning and virtues of citizenship in the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 9th day of April, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*On the occasion of the annual California State Employees' Association
Institute of Government, declaring the week of June 9, 1941,
as "Better Government Week"*

The California State Employees' Association has, for several years, sponsored an Institute on Government in Sacramento, and has endorsed a similar Institute held at the University of Southern California in Los Angeles.

The objectives of these two lecture and discussion courses are to stimulate the interest of public employees and other citizens in seeing that their government achieves its purposes in a democratic and efficient manner. Inspiring to governmental employees is the feeling that they are a vital part of an important organization designed to advance human welfare, and it should also be equally inspiring to the general public to know that such a feeling exists with all governmental employees.

The general public, while having an idea of what takes place in the various governmental offices, are not as well informed as they should be on how the government functions and what public employees do to aid the general citizenry. The services performed by governmental agencies for the benefit of the public are increasing each year, and for our democracy to be maintained on as high a level as possible it is important that the general public know how these agencies operate.

Therefore, in view of these considerations, it is fitting that a week be set aside whereby the citizens have an opportunity to give special attention to the operation of all governmental agencies.

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the week of June 9th to June 14th, 1941, as "Better Government Week" and request all public agencies to hold open house on one day and evening during this week so that the public can inspect these departments. I also call upon the newspapers and radio broadcasting stations to give as much space and time as possible to informing the public on the vital functions performed by federal, state, county and municipal governmental agencies during this week.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of May, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Setting aside July 1, 1941, as the date for the second registration under the Selective Training and Service Act of 1940

WHEREAS the President of the United States, pursuant to the Selective Training and Service Act of 1940, approved September 16, 1940. (54 Stat. 885), has proclaimed that the second registration under said Act shall take place in the United States on the 1st day of July, 1941, between the hours of 7 a.m. and 9 p.m.; and

That every male citizen of the United States, and every male alien residing in the continental United States or in the Territory of Hawaii, Puerto Rico, or the Territory of Alaska (other than persons exempted by section 5 (a) of the Selective Training and Service Act of 1940 or by section 208 of the Coast Guard Auxiliary and Reserve Act of 1941) is required to and shall on July 1, 1941, present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day if—

(a) Such person on or before July 1, 1941, and subsequent to October 16, 1940, has attained the twenty-first anniversary of the day of his birth, and has not heretofore been registered under the Selective Training and Service Act of 1940.

(b) Such person on October 16, 1940, had attained the twenty-first anniversary of the day of his birth and had not attained the thirty-sixth anniversary of the day of his birth and has not heretofore been registered under the Selective Training and Service Act of 1940; *Provided*, That the duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under the said Act shall not be affected by this proclamation.

That a person subject to registration may register after the day fixed for registration in case he is prevented from registering on that day by circumstances beyond his control or because he is not present in the United States, the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on that day. If he is not in the United States or the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on the day fixed for registration but subsequently enters any of such places, he shall within five days after such entrance present himself for and submit to registration before a duly designated registration official or selective service local board. If he is in the United States or in the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on the day fixed for registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day, he shall do so as soon as possible after the cause for such inability ceases to exist.

That the registration shall be in accordance with the Selective Service Regulations governing registration. Every person subject to registration is required to familiarize himself with such Regulations and to comply therewith; and

WHEREAS the President of the United States has called upon the Governors of the several states and all officers and agents thereof and all local boards and agents thereof to do and perform all acts and services necessary to accomplish effective and complete registration;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim as follows:

1. The second registration under the Selective Training and Service Act of 1940 shall take place on Tuesday, the first day of July, 1941, between the hours of 7 a.m. and 9 p.m.

2. I call upon every male person in the State of California who is required to register pursuant to the proclamation of the President of the United States to present himself and register between the hours of 7 a.m. and 9 p.m. on Tuesday, July 1, 1941, before a local board or at any other place that may have been designated by the local boards for registration.

3. I call upon all local boards and agents thereof appointed under the provisions of the Selective Training and Service Act of 1940 or the Selective Service Regulations prescribed thereunder to do and perform all acts and services necessary to accomplish complete and effective registration.

4. I call upon all employers having employees who are required under said Act to register to permit such employees to absent themselves from their work without loss of pay in order to register.

5. I call upon the great news disseminating agencies of the press and radio to lend their utmost efforts to publicize the Proclamation of the President of the United States and the Proclamation of the Governor of the State of California and the Selective Service Regulations in every newspaper and periodical and over every broadcast facility within their respective jurisdictions.

6. I call upon all officers of the State of California and political subdivisions thereof to perform whatever acts may be required to insure registration pursuant to the President's Proclamation and the Selective Training and Service Act of 1940 and to perform such services without pay.

7. I call upon the people of the State of California to contribute whatever services may be required of them to insure that the Proclamation of the President of the United States is carried into effect.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 19th day of June, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Declaring that the Southern California Prison, located at Chino,
is ready for occupancy and use*

WHEREAS, Southern California Prison, located at Chino in San Bernardino County, which has been in the course of construction for several years last past, is now ready for occupancy and use, and

WHEREAS, the Board of Prison Directors, under date of June 21, 1941, has certified to me that prisoners may now be transferred to and detained in Southern California Prison in accordance with the provisions of the Statutes of 1941, Chapter 22,

Now Therefore, I, CULBERT L. OLSON, Governor of the State of California, pursuant to the authority vested in me by General Laws, Act 6120, Section 14, do hereby proclaim that the Southern California Prison is ready for occupancy and use.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of June, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling for the observance of June 28, 1941, as Yugoslav Day

WHEREAS, June 28th is an important date in the history of the Yugoslav people, and

WHEREAS, people of Yugoslav descent in the United States observe this day with appropriate ceremonies, and

WHEREAS, the Yugoslav War Relief Committee in California on this day will make special efforts to raise funds for the depressed and needy in the Yugoslav nation.

Now Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim June 28th as "Yugoslav Day" in California, and urge all people to acquaint themselves with the suffering of the Yugoslav people since their country has been invaded by Axis forces, and to support in whatever way possible the Yugoslav War Relief Committee.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of June, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling upon all citizens to participate in the national aluminum collection drive during the period starting July 21, 1941

WHEREAS, there is a serious temporary shortage in aluminum needed for national defense, and

WHEREAS, in an effort to correct this condition the Office of Production Management and the Office of Civilian Defense, under direction of the President of the United States, have announced a nation-wide campaign, starting July 21st and continuing through July 29th, to collect articles of aluminum content donated by citizens, and

WHEREAS, the United States Director of Civilian Defense, Mayor Fiorello H. LaGuardia, has officially requested the Governor of California to direct the campaign for the collection of said aluminum in this State, and

WHEREAS, as Governor of California and on behalf of the people of this State, I have accepted this responsibility.

Now Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim and designate the period starting July 21st and running through July 29th as a period to be devoted throughout California to the collection of used and scrap aluminum donated by citizens and business establishments for purposes of national defense, and

I do further proclaim that the collection of said aluminum in the State of California shall be under the general direction of the California State Council of Defense and its executive director, Mr. Richard Graves, and

I do call upon the Mayors of Cities and the Boards of Supervisors of Counties and local Councils of Defense wherever they are organized in cities and counties, to lead the campaign in their respective communities, and upon all public officials for their full cooperation, and

I do designate as collectors of such aluminum the Veterans' organizations, women's clubs, youth organizations, church and fraternal groups, civic clubs, business and commercial organizations and all other such clubs and groups as may volunteer for and be assigned to the task in their communities, and

I do call upon all citizens and business establishments to contribute generously with all articles of aluminum content they may have to spare to the end that California may do its full part in this campaign to supply a vital deficiency in our national defense.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of July, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Declaring the week of September 15, 1941, to be "Retailers for Defense" week

WHEREAS, the week of September 15 to 20 will be observed throughout the United States as National Retail Demonstration Week, and

WHEREAS, the Retail Merchants of California have adopted a 14 point program, which is:

1. To practice and to preach the doctrine of "Our Country First and Foremost."
2. To serve customer interests by acting as "Purchasing Agents for the Public."
3. To maintain price levels consistent with cost.
4. To guard against unfair trade practices which may injure the public.
5. To maintain the stability of retail employment in all ways consistent with National Defense.
6. To give every possible encouragement to employees who wish to serve their country.
7. To disseminate to consumers such defense literature and information as the government may desire to have distributed.
8. To cooperate with manufacturers so that merchandise may be informatively labeled.
9. To eliminate all "scare" advertising, particularly that which says or implies "Buy now because prices are rising."
10. To keep consumers informed on price levels and changes in quality consistent with National Defense.
11. To aid in the development and distribution of substitutes for such materials as are urgently needed for National Defense.
12. To support simplification of merchandise types and thus free labor and materials for National Defense.
13. To help the U. S. Treasury sell Defense Stamps.
14. To help unify the people of our country through our advertising display and consumer appeal—in support of our defense program, and

WHEREAS, the theme to be followed by California's merchants is "Retailers for Defense,"

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the week of September 15 to 20 as "Retailers for Defense" week in California and urge all retail merchants to continue their 14 point program throughout the year.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 13th day of September, A. D. one thousand nine hundred forty-one.

[SEAL]

CULBERT L. OLSON
Governor of California

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling for the celebration of "Liberty Fleet Day" in California on September 27, 1941, to mark the greatest concentrated merchant ship launching in the United States since the last World War

Saturday, September 27, has been designated by the United States Maritime Commission as "Liberty Fleet Day" commemorating the occasion of the launching of fourteen merchant ships from yards on all coasts of the United States.

This day will mark the greatest concentrated launching program this country has known since World War No. 1 days and is being participated in by a greater number of yards than at any other time in our history.

The State of California is signally honored and takes great pride in the fact that five of the fourteen vessels will go down the ways of our ship building firms—three more than in any other state.

The five launchings in California gives tangible proof that the workers and ship builders of our State are doing a REAL job in our national defense program.

Launched in California on this historic day will be:

Liberty Ship "John C. Fremont" by California Ship Building Corporation, Los Angeles

C-1 Cargo Ship "Alcoa Polaris" by Consolidated Steel Corporation, Los Angeles

Emergency Cargo Ship "Ocean Venture" for the British Government by Todd-California Ship Building Corporation, Richmond

Emergency Cargo Ship "Ocean Voice" for the British Government by Todd-California Ship Building Corporation, Richmond, and

C-3 Cargo Ship "Steel Artisan" by Western Pipe and Steel Company, San Francisco.

It is indeed fitting and proper that the great State of California, which has engaged so enthusiastically and aggressively in all of our national defense efforts, and which has already sent a number of merchant cargo vessels down the way, should duly celebrate this occasion which calls for the launching of five ships.

Now, Therefore, I, CULBERT L. OLSON, Governor of California, hereby proclaim Saturday, September 27, as "Liberty Fleet Day" in California, and urge that the American Flag be flown from all public buildings; that newspapers and radio stations cooperate by publicizing this event because of the significant fact that our present ship building program is many months ahead of schedule; that teachers in the schools and the vicinities of the launchings take as many of their children as possible to witness the events, and that as many citizens of the State as possible be on hand to join in this program which means so much to the defense of our nation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 22d day of September, A. D. one thousand nine hundred forty-one.

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[SEAL]

CULBERT L. OLSON
Governor of California

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Declaring October 27, 1941, to be Navy Day

WHEREAS, in this day when the very foundations of democracy are endangered and our national security is threatened by aggressor nations, it is imperative that our attention and efforts be given to our means of defense, and

WHEREAS, our Navy is our first line of defense to keep the enemy forces from our shores, protect our inland from invasion, prevent our homes from being bombed, and our civilian population from suffering the horrors of war, and

WHEREAS, our Navy has already been attacked by an enemy who would destroy it as a first aggressive step toward America by such an enemy, and

WHEREAS, our Navy and its personnel is entitled to the full support and cooperation of all of our citizens in developing its facilities and resources to the point that it can fulfill its full purpose in defending the nation, and that support and cooperation depend in part upon every citizen knowing the problems of the navy, of its far flung lines of defense, and of its illustrious history, and

WHEREAS, California is now the scene of the greatest shipbuilding activities in its history. Mare Island Navy Yard has more than 20,000 employees and the private yards of San Francisco, Oakland, Richmond, Alameda, Stockton, Long Beach and Los Angeles are working at full capacity with existing facilities being constantly expanded, and

WHEREAS, the Navy League of the United States has chosen October 27 as the date to be celebrated as Navy Day throughout the United States.

Now Therefore I, CULBERT L. OLSON, Governor of California, do hereby proclaim Monday, October 27, as Navy Day in California, and urge all citizens to attend ceremonies sponsored by the Navy League and Veterans' organizations on Monday, October 27, as a tribute to our great Navy.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 22d day of October, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Urging all citizens and all councils of defense to observe Civilian
Defense Week, beginning on November 11, 1941*

WHEREAS, by proclamation on October 22, the President of the United States designated the period November 11 to November 16, 1941, "As a time for all persons throughout the nation to give thought to their duties and responsibilities in the defense of this country, and to become better informed of the many vital phases of the civilian defense program and of the opportunities which it offers for the participation of every individual American", and

WHEREAS, the President of the United States has requested the Governors of the several states to issue similar proclamations for their states, and

WHEREAS, the tremendous role which California occupies in the nation's defense program makes it extraordinarily appropriate that this State take full part in the civil defense educational campaign contemplated under the proclamation issued by the President of the United States, and

WHEREAS, California has an official State Council of Defense and local councils of defense in every community, all fully organized and prepared to assume leadership in this week of essential patriotic activity designed to stimulate in our citizens an awareness to the need of individual participation in the civilian defense program,

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby designate the period commencing on Armistice Day, Tuesday, November 11, 1941, and continuing through Sunday, November 16, 1941, as Civilian Defense Week, and

I do call upon all local county and city councils of defense, under the leadership of the State Council of Defense and its Executive Director, Richard Graves, to make studied plans so that the objectives of the week may be intelligently and vigorously brought to the attention of all of our people, and

I do urge all California citizens to give thought and consideration to the part which they will play as individuals to the end that the State of California may continue in its present dominant position in national defense.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of October, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Designating "Bill of Rights Week" from December 8 through December 15,
1941, in commemoration of the 150th anniversary of the
adoption of the Bill of Rights*

December 15, 1941, marks the Sesqui-Centennial of the adoption by the people and Congress of the United States of the first ten amendments to the Constitution—known and revered as the Bill of Rights. For a century and a half, it has stood as the charter of the liberties of the American people. It is not only a part of the Constitution; it is the soul of that immortal document.

The Bill of Rights established the freedoms for which the founders of our country struggled and for which revolutionary sacrifices were made. Succeeding generations have safeguarded these freedoms. It inspires us today to renew our loyalty to the principles of human equality upon which they rest. Freedom of worship, freedom of speech, freedom of the press, freedom of assembly—these are the pillars which sustain the temple of liberty under law.

On this one hundred and fiftieth anniversary of the adoption of the Bill of Rights, it is fitting that Americans rededicate themselves to the maintenance of these freedoms, particularly because this anniversary comes at a time when gangsters abroad are determined upon abolishing those freedoms and establishing tyranny and human slavery.

Against such attempts from within or without our country, the American people must stand firm and be prepared to fight and make all necessary sacrifices. True Americans of all races and creeds, regardless of political affiliations, welcome the opportunity which the Sesqui-Centennial of the Bill of Rights affords them, to reaffirm their devoted loyalty to the fundamental principles of personal liberty and human equality embodied in our Bill of Rights.

In observance of this determination, and also in view of the events planned by various organizations throughout the State of California, the period from December 8th through December 15th should be designated as "Bill of Rights Days".

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby proclaim the period from December 8th through December 15th as "Bill of Rights Day". I urge all schools, colleges and universities to give special instruction in their classes as to the meaning of our Bill of Rights. I further urge all civic, patriotic, fraternal and religious institutions and groups to conduct special meetings and services in observance of the Sesqui-Centennial celebration of the first ten amendments to the Constitution of the United States, known as the American Bill of Rights.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of December, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Issued within twenty-four hours of the attack on Pearl Harbor, calling for
voluntary enlistment in the State Guard of an additional
10,000 able-bodied men not subject to call by the
regular army*

WHEREAS, invasion of territory of the United States of America has occurred and war is being made upon our country by the Japanese nation, placing our nation in a state of war with Japan which in all probability will be duly declared by the Congress of the United States, and

WHEREAS, the State of California constitutes the most vital land area and natural objective of any attack which may be contemplated by our enemies by air, by sabotage, or any other means of destruction contemplated by our enemies; and

WHEREAS, it is incumbent upon the State government of California and its local governments and civilian authorities to make every preparation for defense of the civilian population and their protection against any form of invasion or destruction that may possibly come in the course of the war into which our country has now become inescapably involved; and

WHEREAS, plans for civilian defense, protection, and the safety of the civilian population of California have been made and are being perfected by California's State Council of Defense and local Councils of Defense organized thereunder, which plans include the marshalling and directing of all voluntary services drawn from civilian life in the several counties and cities of the State, to act in accordance with plans and disciplinary directions for adequate response to all needs of civilian protection, community service, air raid warnings, fire and sabotage prevention, emergency medical services, and evacuation of areas where evacuation may become necessary for their protection; and

WHEREAS, the State of California must be prepared with an adequate military force in our State Guard, ready to respond to the need of the civilian authorities in any county or municipality for aid in any emergency requiring such military aid; and

WHEREAS, the personnel of California's State Guard consists of volunteer enlistments for this military service; and

WHEREAS, the number of men and officers in the State Guard who have heretofore volunteered and been mustered into that service, although extraordinary within the short time since the organization of the Guard began, is now, in view of the fact that we are now involved in actual war, deemed insufficient for the purpose and exigencies that may arise requiring the services of the State Guard for civilian protection, and should be increased to the extent of at least twenty-five thousand men and officers or approximately ten thousand more than the number of present enlistments;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, and Commander-in-Chief of the State Guard of the State of California, do hereby call for further voluntary enlistments in the State Guard of ten thousand able-bodied men between the ages of eighteen and sixty, who are not subject to call in the regular Army and Navy service of the United States of America, preferably ex-service men and men of previous military training, members of the American Legion, and the Veterans of Foreign Wars, and members of any other organizations of ex-service men who have received military training, are especially requested to enlist in the State Guard, with the understanding that service in the State Guard is without compensation unless provision therefor should later be made by the Legislature of the State. Points of enlistment in the several localities of the State will be designated by the Adjutant General and duly publicized. Enlistments are to be for one year.

It is further hereby proclaimed that that part of general order No. 6 heretofore issued, which provides that members of the State Guard may be discharged at request on thirty days notice is hereby annulled.

In calling for volunteers in the State Guard and emphasizing the need of speeding up and perfecting plans for civilian defense, I caution all of the civilian population against excitement or any form of hysteria and confusion in these perilous times. National and State provisions and facilities for orderly protection of the civilian population can best be accomplished if the people will remain calm and be ready to respond to directions and such services as individuals may be called upon to perform in carrying out programs for such protection. No imminent danger may be in prospect, but every precautionary measure and preparation must be taken and made to protect against danger to the civilian population if and when it should come.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of December, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Declaring the existence of a shortage of waste paper and the need
for conservation thereof*

WHEREAS, there is an alarming shortage of paperboard in the United States, and

WHEREAS, paperboard is manufactured from waste paper, which includes old newspapers and magazines, used corrugated boxes and general contents of waste paper baskets, and

WHEREAS, the Office of Price Administration in Washington advises that almost three-fourths of this valuable raw material is burned by governmental agencies, business establishments, hotels, apartment house and home owners, and

WHEREAS, it is absolutely necessary that waste paper be conserved for national defense,

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, in the interest of national defense, do hereby proclaim a waste paper shortage in the State of California, and urge all county and municipal authorities, business institutions, hotel and apartment house owners and house wives to conserve for defense purpose, all their waste paper and I also urge charitable organizations and waste paper dealers in the State to put every effort behind the gathering of waste paper so that it can be converted into a necessary defense. I also call upon the appropriate committees of the state and local councils of defense to cooperate in furthering this order.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 11th day of December, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

*Attest: PAUL PEEK
Secretary of State*

PROCLAMATION

*Making an urgent appeal for the raising of \$4,553,000.00 in California
by the American Red Cross*

The people of the State of California are in the front rank of the tragic war which has been thrust upon us from the Pacific. They have been subjected to the harrowing expectation of momentary attack by air and by sea. They have, therefore, a great appreciation of the bitter experiences of their fellow citizens already attacked by the enemy. They sympathize deeply with the victims.

As always, they will wish to express their sympathy through the American Red Cross which has always stood for the alleviation of suffering of all humanity. Through the American Red Cross now it is our desire and our duty to aid our fellow citizens who have been mercilessly attacked to build our own defense stronger, and to weld our protecting Army and Navy into a spiritually unbeatable armed force.

The people of California will wish to be also in the front rank of those who give sacrificially to the Red Cross. A national American Red Cross war fund of a minimum of fifty million dollars is needed to carry on this vital work.

With the deepest conviction that all the people of this State will wish to share in this humanitarian endeavor,

Now therefore, I, CULBERT L. OLSON, Governor of the State of California, proclaim the beginning, as of this date, of a Red Cross campaign for the raising of four million five hundred and fifty-three thousand dollars in California through the one hundred and twenty-five chapters of the American Red Cross. I appeal to the citizens of this State to make this campaign an overwhelming success.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 13th day of December, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Declaring the existence of a state of emergency throughout the
State of California*

WHEREAS, a state of war now exists between the Government of the United States of America and the Governments of Japan, Germany and Italy; and

WHEREAS, with a thousand miles of coast line along the Pacific, the geographical position of the State of California places it in the first line of defense against invasion, and this State may at any time become a theatre of war. Already enemy reconnaissance, if not bombing, planes are known to have passed along our coast and to have covered a part of the interior areas. Our great natural resources, our huge oil supplies, our enormous agricultural and industrial production, our numerous air craft factories, shipbuilding yards, and other facilities needed to sustain our nation in the winning of the war, are the natural objectives of attempted aggressions of our enemies; and

WHEREAS, California is thus confronted with numerous and immediate problems arising out of the existing state of war, including the need for full cooperation of its citizens in carrying out plans and directions of the Army and the Navy and other war and civilian defense agencies of the Government of the United States and of the State and local governments in the successful prosecution of the war, and for home and civilian defense and protection of the life and property and the health and welfare of the civilian population; and

WHEREAS, the State of California has within its borders numerous extensive military and naval reservations and bases dependent upon its transportation and communication facilities, its port facilities, its bridges, dams, levees, utilities, essential to the successful prosecution of the war and to civilian protection, requiring in that protection the services of State and local governments; and

WHEREAS, the welfare and safety of the people of this State and the protection of its resources, utilities and facilities against sabotage and subversive activities calls for emergency actions on the part of State and local governments; and

WHEREAS, plans are adopted by the State Council of Defense, in cooperation with the Office of Civilian Defense of the Nation and of local councils of defense, for the purpose of meeting these requirements and responding to the needs of the people in any emergency, disaster or threat of disaster, in any part of the State; and

WHEREAS, the present emergency must be recognized by State and local governments and by the people in order that the plans and purpose of the State government and its Council of Defense and the several local governments and their councils of defense may be successfully effectuated;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, under and by virtue of the authority vested in me as Chief

Executive of the State of California, and in accordance with the Constitution and laws of the State, I do hereby proclaim and declare that a state of emergency exists throughout the State of California, and I hereby designate the duly constituted officers of the State and of each city and of each city and county and of each county, as the officers to take charge of this emergency in their respective jurisdictions, and to carry into effect plans for civil protection adopted by the State Council of Defense and by local councils of defense in accordance therewith, in cooperation with the duly constituted authorities of the Government of the United States in the prosecution of the war and in provisions for civilian protection.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 14th day of December, A. D. one thousand nine hundred forty-one.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State



PROCLAMATIONS

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PROCLAMATION

Ordering the third selective service registration

WHEREAS, the President of the United States, pursuant to the Selective Training and Service Act of 1940, as amended, (54 Stat. 885), has proclaimed that the third registration under said Act shall take place in the United States on the 16th day of February, 1942, between the hours of 7:00 a.m. and 9:00 p.m.; and

That every male citizen of the United States, and every male alien residing in the continental United States or in the Territory of Hawaii, Puerto Rico, or the Territory of Alaska (other than persons exempted by section 5 (a) of the Selective Training and Service Act of 1940, as amended, or by section 208 of the Coast Guard Auxiliary and Reserve Act of 1941) is required to and shall on February 16, 1942, present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day if—

(a) Such person on or before December 31, 1941, has attained his 20th birthday and has not heretofore been registered under the Selective Training and Service Act of 1940, as amended.

(b) Such person on December 31, 1941, had attained the twentieth anniversary of the day of his birth and had not attained the 45th anniversary of the day of his birth on February 16, 1942 and has not heretofore been registered under the Selective Training and Service Act of 1940, as amended: *Provided*, that the duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under the said Act shall not be affected by this proclamation.

That a person subject to registration may register after the day fixed for registration in case he is prevented from registering on that day by circumstances beyond his control or because he is not present in the United States, the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on that day. If he is not in the United States or the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on the day fixed for registration but subsequently enters any of such places, he shall within five days after such entrance present himself for and submit to registration before a duly designated registration official or selective service local board. If he is in the United States or in the Territory of Hawaii, Puerto Rico, or the Territory of Alaska on the day fixed for registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day, he shall do so as soon as possible after the cause for such inability ceases to exist.

That the registration shall be in accordance with the Selective Service Regulations governing registration. Every person subject to registration is required to familiarize himself with such regulations and to comply therewith; and

WHEREAS, the President of the United States has called upon the Governors of the several states and all officers and agents thereof and all local boards and agents thereof to do and perform all acts and services necessary to accomplish effective and complete registration;

Now therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim as follows:

1. That due to the large number of citizens to be registered in California that three days be observed as Registration Days.

2. That the *third* registration under the Selective Training and Service Act of 1940, as amended, shall take place on Saturday, Sunday and Monday, *February 11, 15, and 16*, between the hours of 7:00 a.m. and 9:00 p.m.

Three days are being set so men working in defense industries will not have to take time off to register, thus not impeding production. It is important that these men register on their own time.

3. I call upon every male person in the State of California who is required to register pursuant to the proclamation of the President of the United States to present himself and register between the hours of 7:00 a.m. and 9:00 p.m. on either of the above stated dates, before a local board or at any other place that may have been designated by the local boards for registration.

4. I call upon all local boards and agents thereof appointed under the provisions of the Selective Training and Service Act of 1940 or the Selective Service Regulations prescribed thereunder to do and perform all acts and services necessary to accomplish complete and effective registration.

5. I call upon all employers having employees who are required under said Act to register to permit such employees to absent themselves from their work without loss of pay in order to register.

6. I call upon the great news disseminating agencies of the press and radio to lend their utmost efforts to publicize the Proclamation of the President of the United States and the Proclamation of the Governor of the State of California and the Selective Service Regulations in every newspaper and periodical and over every broadcast facility within their respective jurisdictions.

7. I call upon all officers of the State of California and political subdivisions thereof to perform whatever acts may be required to insure registration pursuant to the President's Proclamation and the amended Selective Training and Service Act of 1940 and to perform such services without pay.

8. I call upon the people of the State of California to contribute whatever services may be required of them to insure that the proclamation of the President of the United States is carried into effect.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 19th day of January, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK

Secretary of State

PROCLAMATION

*Declaring that Daylight Saving Time shall be effective in California
during the war*

WHEREAS, the Congress of the United States has passed and the President has signed a bill placing all interstate commerce activities and all Federal Government agencies on daylight saving time as of 2:00 a.m., February 9, 1942, advancing the clock one hour; and

WHEREAS, in the interest of our defense production it is vitally important that daylight saving time be uniformly observed by all industry, business and the citizens generally for the duration of the war,

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim that daylight saving time be effective in California beginning at the hour of 2:00 a.m., February 9, 1942. (when the clock will be advanced one hour) and remaining in effect until six months after the termination of the war or until Congress, by a concurrent resolution shall designate an earlier termination. All industrial and business firms, all state, county, municipal, district and township governmental agencies and all citizens are respectfully requested to comply in the interest of national defense.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 24th day of January, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Requiring the registration of all enemy aliens in California

President Franklin Delano Roosevelt, on January 14, 1942, issued a proclamation requiring all Japanese, Germans and Italians, fourteen years of age or over who are not citizens of the United States, to secure Certificates of Identification. The Department of Justice has set the period from February 2 through February 7, 1942 for these aliens to register for Identification purposes in California.

The general requirements of the identification program are:

(1) All German, Italian and Japanese aliens, (technically known as alien enemies) who are fourteen years of age or over, must file application for a Certificate of Identification.

(2) All such aliens must file applications within the period from February 2 through February 7.

(3) Applications for Certificates of Identification must be filed at First or Second Class or County Seat Post Offices. The alien is required to go to any such post office nearest his place of residence.

(4) Aliens filing applications must bring with them their Alien Registration Receipt Card, and three unmounted photographs of themselves, with light background, 2" x 2" in size, printed on thin paper. These photographs must have been taken not more than 30 days prior to the time the alien presents his application and must be taken front view and without a hat.

(5) Aliens filing applications may take a member of their family or a friend to the post office. If they cannot write, they are advised to take someone with them who writes plainly. If such a person is not available, clerks at the post office will help them with their applications.

(6) Certificates of Identification will be delivered to the aliens personally at their residence address. Aliens are asked to cooperate in every way possible with the post office carriers to facilitate delivery and acceptance.

(7) The requirements should involve no expense to the aliens except for the photographs. It is not necessary to pay any person or organization for assistance. The government, which includes the post offices, will assist the alien as much as possible.

(8) Complete printed instructions for filing applications are available at all post offices.

Now, Therefore, in view of these facts, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the period of February 2 through February 7, 1942, as Alien Registration Period for the purpose of securing Certificates of Identification. I urge all German, Italian and Japanese aliens, fourteen years of age or over, to comply with the requirements of the Federal Government within this time.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of January, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Recognizing a new California product, and establishing March 5, 1942,
as Guayule Rubber Day*

Already proud of the volume and variety of her agricultural products, California now finds still another reason for gratification in the great potential of her capacity to produce rubber-to-win-the-war from the Guayule Plant.

It is now high time that the people give full recognition and render praise to the men who, during the past two decades, persisted in their efforts to make Guayule rubber production successful commercially. Although commercial success was not achieved until war came, we now realize that their foresight and persistence laid the foundation for a magnificent and fundamental contribution to the winning of the war.

Much of their efforts centered in California's Salinas Valley where, on March 5th, the good people will celebrate the fame of these pioneers of the Guayule rubber industry and likewise the important place the growing of the Guayule plant is now taking the economic life of the Salinas Valley and of all California.

All this is most proper and timely.

Therefore, I, CULBERT L. OLSON, Governor of California, hereby designate and proclaim March 5th, 1942, as Guayule Rubber Day and I call upon all California to join the citizens of the Salinas Valley its celebration, recognition and observance.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of February, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Calling upon citizens to voluntarily reduce the State speed
limit to 45 miles per hour*

Traffic accidents constitute a serious handicap to our war effort, killing and crippling thousands of much needed defense workers and causing heavy property loss.

In California alone, traffic accidents are responsible for the loss of thousands of man-hours in national defense projects.

Excessive speed is definitely known to be the most important single contributing factor in accidents. Statistical studies indicate speed is involved in almost every accident of record.

With tire and car rationing orders now in effect excessive speed is certain to have an increasing influence on the accident rate as equipment becomes worn and progressively less safe to operate. Speed has a definite bearing on the cost of car operation. Rubber is worn from tires more quickly at high speeds than when slower speeds are employed. Motor vehicles last much longer at slower speeds. Gasoline consumption is cut in the same manner.

Numerous organizations and individuals, including automobile associations, safety councils, chambers of commerce, patriotic bodies, jurists and police officials have written letters to me urging that executive action be taken by the State to reduce the speed of motor vehicles for the duration of the emergency. These groups feel that under the circumstances, 45 miles per hour is the maximum speed at which motor vehicles should be permitted to travel.

In view of these facts, I, CULBERT L. OLSON, Governor of California, do hereby proclaim that during the existing emergency, 45 miles an hour should be observed as the maximum at which motor vehicles should travel, and I urge every driver to observe this maximum as a patriotic duty.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 11th day of March, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling upon law enforcement authorities to assist the military forces in preventing the building of fires, or the carrying of flashlights, flares, firearms or radios in the coastal zones

WHEREAS it has been brought to my attention by the United States Army that camp, or other outdoor fires burning after nightfall in the State of California should be subject to control because of existing circumstances and the possibility that such fires might easily be used as signals to the enemy and to guide enemy aircraft; and

WHEREAS the unrestricted use of flashlights, flares, radios, firearms or other devices in certain areas also presents a hazard to the safety and welfare of the people of California; and

WHEREAS, carrying flashlights, flares, or other such devices, firearms or other weapons, radio receiving or sending sets, on the beaches in the aforementioned Pacific Coast area also presents a hazard to the safety and welfare of the people of California;

Now Therefore, I, CULBERT L. OLSON, Governor of the State of California, by virtue of the authority and duty vested in me under Article V, Section 7 of the Constitution of the State of California, to "see that the laws are faithfully executed", hereby request that appropriate law enforcement authorities of the cities and counties within the coastal areas of California, and within the areas designated by the United States Army as prohibited and restricted zones, take cognizance of the above cited danger to the public welfare from such acts as may give aid and comfort to the enemy, and take whatever steps may be necessary to prevent such acts and to prosecute those persons who may commit such acts under sections 370 and 647 of the Penal Code, and any other appropriate statutes of the State of California.

Provided, that the provisions of this proclamation shall be applicable and effective only during the hours between sunset and sunrise and furthermore that the provisions hereof which pertain to fires shall not apply to persons who have obtained permits from the State Division of Forestry, the State Council of Defense, or other appropriate State agency, and does not apply to persons within cities or other municipalities who have written authority from the duly constituted authorities of such cities or other municipalities to build fires in conformance with the regulations of such city or municipality.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Designating the period from April 1-30, 1942, as Cancer Control Month
in California*

WHEREAS, the Seventy-fifth Congress of the United States proclaimed April as Cancer Control Month as evidence of the fact that this disease is one of the nation's greatest public health problems; and

WHEREAS, cancer is in fact the second highest cause of death in the United States; and

WHEREAS, the Field Army of the American Society for the control of Cancer, which devotes itself untiringly to efforts to overcome this disease, will conduct during April its sixth annual enlistment and educational campaign; and

WHEREAS, this effort will be devoted to familiarizing every man and woman in our state with the fundamental facts about this disease which authorities tell us can be the means of saving as many as two-thirds of the 158,000 lives now being lost annually in the nation, now

Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby designate the period from April 1 to April 30, 1942 as Cancer Control Month in California, and bespeak for the Women's Field Army the assistance of the press, the radio, the motion pictures, and all other channels of public information, to help inform the public of the facts that will mean a reduced death rate from cancer in California.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23d day of March, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

*Attest: PAUL PEEK
Secretary of State*

PROCLAMATION

Declaring the week of April 12, 1942, to be "China Relief Week"

WHEREAS, the Governors of many of our forty-eight states are joining in proclaiming the week of April 12th to April 19th as "China Relief Week"; and

WHEREAS, China, the last remaining stronghold of Democracy in the Orient, has for nearly five years bravely withstood Japanese assaults against overwhelming odds and unparalleled human suffering; and

WHEREAS, the people of the United States, now joined in arms with China as its friend and ally against the common enemy, subscribe unanimously to President Roosevelt's solemn assertion that "it is essential that we help China";

Now therefore I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim the week of April 12th to April 19th, 1942 to be known as "China Relief Week", and do hereby call upon the people of California to observe this week as one devoted to securing assistance to the people of China in their plight.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of April, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Calling a special election in the Seventeenth Congressional
District to fill a vacancy*

I, Culbert L. Olson, Governor of the State of California, do hereby proclaim and order that a special election shall be held on the twenty-fifth day of August, nineteen hundred and forty-two, in the Seventeenth Congressional District of this state, as the said district was constituted in 1940 and prior to the taking effect of the Reapportionment Act in 1941, to fill the vacancy in the office of Representative to the Congress of the United States from the said Seventeenth Congressional District caused by the death of Lee E. Geyer.

AND I DO HEREBY offer a reward of One Hundred (100) Dollars for the arrest and conviction of any and every person violating any of the provisions of Title IV, Part 1, of the Penal Code; such rewards to be paid until the total amount hereafter expended for the purpose reaches the sum of Ten Thousand (10,000) Dollars.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of April, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Setting the date for the fourth registration under the
Selective Service Act*

WHEREAS, the President of the United States, pursuant to the Selective Training and Service Act of 1940, as amended, (54 State. 885), has proclaimed that the fourth registration under said Act shall take place in the United States on the 27th day of April, 1942, between the hours of 7:00 a.m. and 9:00 p.m.; and

Every male citizen of the United States, and every other male person residing in the continental United States or in the Territory of Alaska or in the Territory of Hawaii or in Puerto Rico, other than persons excepted by Section 5 (a) of the Selective Training and Service Act of 1940, as amended, and by Section 208 of the Coast Guard Auxiliary and Reserve Act of 1941, is required to and shall on April 27, 1942, present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day if such male citizen or other male person on February 16, 1942, has attained the forty-fifth anniversary of the day of his birth and on April 27, 1942, has not attained the sixty-fifth anniversary of the day of his birth, and has not heretofore been registered under the Selective Training and Service Act of 1940, as amended, and the regulations thereunder; Provided, That the duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under said Act shall not be affected by this proclamation.

(b) A person subject to registration may be registered before the day set herein for his registration if arrangements therefor are made by the local board under rules and regulations prescribed by the Director of Selective Service. Whenever such arrangements are made, public notice thereof will be given by the local board.

(c) A person subject to registration may be registered after the day fixed for his registration in case he is prevented from registering on that day by circumstances beyond his control or because he is not present in continental United States or the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on that day. If he is not in the continental United States or the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on the day fixed for his registration but subsequently enters any of such places, he shall as soon as possible after such entrance present himself for and submit to registration before a duly designated registration official or selective service local board. If he is in the continental United States or in the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on the day fixed for his registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day, he shall do so as soon as possible after the cause for such inability ceases to exist.

That the registration shall be in accordance with the Selective Service Regulations governing registration. Every person subject to

registration is required to familiarize himself with such regulations and to comply therewith; and

WHEREAS, the President of the United States has called upon the Governors of the several states and all officers and agents thereof and all local boards and agents thereof to do and perform all acts and services necessary to accomplish effective and complete registration;

Now therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim as follows:

1. That due to the large number of citizens to be registered in California that three days be observed as Registration Days.

2. That the fourth registration under the Selective Training and Service Act of 1940, as amended, shall take place on Saturday, Sunday and Monday, April 25, 26 and 27, between the hours of 7:00 a.m. and 9:00 p.m.

Three days are being set so men working in defense industries will not have to take time off to register, thus not impeding production. It is important that these men register on their own time.

3. I call upon every male person in the State of California who is required to register pursuant to the proclamation of the President of the United States to present himself and register between the hours of 7:00 a.m. and 9:00 p.m. on the above stated dates, before a local board or at any other place that may have been designated by the local boards for registration.

4. I call upon all local boards and agents thereof appointed under the provisions of the Selective Training and Service Act of 1940 or the Selective Service Regulations prescribed thereunder to do and perform all acts and services necessary to accomplish complete and effective registration.

5. I call upon all employers having employees who are required under said Act to register to permit such employees to absent themselves from their work without loss of pay in order to register.

6. I call upon the great news disseminating agencies of the press and radio to lend their utmost efforts to publicize the Proclamation of the President of the United States and the Proclamation of the Governor of the State of California and the Selective Service Regulations in every newspaper and periodical and over every broadcast facility within their respective jurisdictions.

7. I call upon all officers of the State of California and political subdivisions thereof to perform whatever acts may be required to insure registration pursuant to the President's Proclamation and the amended Selective Training and Service Act of 1940 and to perform such services without pay.

8. I call upon the people of the State of California to contribute whatever services may be required of them to insure that the proclamation of the President of the United States is carried into effect.

IN WITNESS WHEREOF, I have hereunto set my hand caused the Great Seal of the State of California to be affixed this 9th day of April, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Designating June 13, 1942, to be Douglas MacArthur Day

General Douglas MacArthur has become a symbol of the military might of the allied nations.

General MacArthur, after serving his country and its armed forces in peace time and in the past World War, rose to the position of Chief of Staff of the United States Army. Thereafter, he gave tangible and permanent expression to the enlightened American colonial policy, through his splendid relations with the officials and people of the Philippine Islands. There, too, the General's magnificent ability in the field of military science was demonstrated by his establishment and training of the intrepid Philippine Army.

But above all, the world has been inspired by the gallant struggle of General MacArthur and his faithful followers against overwhelming forces of aggression in the Philippines, Bataan Peninsula, Corregidor, and now the Southwest Pacific theater of warfare.

General MacArthur has become a symbol of the rising might of the American democracy and of the forces of all of the united nations struggling to prevent the eclipse of democratic institutions by the ruthless forces of totalitarianism.

It is, therefore, fitting and proper that we designate a day of celebration to be known as "Douglas MacArthur Day", during which we may celebrate the military success he and his forces have achieved to date, and contemplate the ultimate triumph of democracy in the days to come.

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, pursuant to the authority vested in me by the constitution and laws of the State of California, do hereby proclaim Saturday, June 13, 1942, to be Douglas MacArthur day, and call upon all citizens and public officials of the State of California to join in public observance of that day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of April, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Calling for participation in "California Pledge Victory Week",
May 24-31, 1942*

WHEREAS, the United States Treasury Department is asking that the earnings of every American citizen be enlisted in a national program of systematic thrift; and

WHEREAS, many thousands of volunteer Minute Men, as their answer to a threat to democracy, will devote their own time and efforts by visiting every resident of this great state, seeking his or her moral obligation in this time of financial need; and

WHEREAS, it is necessary that every man, woman and child in California sign a voluntary pledge to save regularly out of current income through the purchase of War Savings Stamps and Bonds; and

WHEREAS, it would be a splendid attestation of loyalty were every Californian to pledge to the extent of his, or her financial ability, a stipulated purchase of Bonds each month until victory over aggression is achieved, such pledges being expressions of willingness to aid the nation in a critical hour, and are not in conflict with, but are a confirmation of the payroll savings pledges already signed by so many of our workers who are doing their share without complaint,

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby designate the week of May 24-31, 1942, as California Pledge Victory Week, and I urge each citizen to pledge to set aside regular savings for the purchase of War Savings Bonds or Stamps. I also urge the Mayor of every city to issue similar proclamations so that California can and will over subscribe her quota of \$40,011,100, for the month of May.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of April, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling upon all citizens to join in the Scrap Rubber Collection Drive

The President of the United States has ordered an intensive two weeks drive throughout the nation to bring in from homes, offices, factories and farms all articles of rubber which have been or can be discarded, the same to be purchased by the oil industry at a penny a pound and be re-sold to the Government.

The great need of our nation for rubber for use by our armed forces cannot be too strongly emphasized. The War Production Board, Harold Ickes, Petroleum Coordinator, and other defense agencies, because of this need and in furtherance of the orders of the President, have called on every unit in the oil industry to launch an all-out drive for the collection of reclaimable scrap rubber for the government.

The plan under way for this purpose provides for each retail outlet to pay one penny a pound for mixed scrap rubber to all persons offering it, and for facilities to be provided for transportation to bulk plants or other storage points. The supplying companies have been requested to provide the necessary funds to smaller units when needed.

I therefore call upon all citizens of California, and the oil industry, from the smallest filling station to the largest company, to cooperate in this essential war effort. I ask the oil industry to provide its facilities to the government for this campaign, and commend it for its patriotic willingness to do so, and its announcements that it will provide all sums received from the government, in excess of actual disbursements for rubber scrap purchased, to the U.S.O., the Army Relief Fund, the Navy Relief Fund, and the American Red Cross.

In furtherance of this essential drive, I am proclaiming the period from June 15th to June 30th to be "Scrap Rubber Collection Weeks", and call upon all citizens to cooperate in that effort and all state agencies, county and city governments, to exert every effort and every facility to make this collection campaign successful.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of June, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

By CHAS. J. HAGERTY
Deputy Secretary of State

PROCLAMATION

Setting aside the week of June 22, 1942, as Aid-to-Russia Week

WHEREAS, June 22, 1942, will be the first anniversary of the date on which the armed hordes of Nazism treacherously and by night poured across the borders of stolen territories into the land of the Russian people; and

WHEREAS, in the intervening year the Russian army and people have won the heartfelt admiration of the entire world by their bravery, fighting efficiency, and uncomplaining sacrifice in defense of their freedom as a people and as a nation; and

WHEREAS, the magnificent war which our Russian allies have waged has been of such incalculable value to the cause in which we, too, are fighting that our own heroic General MacArthur has said that "the hopes of civilization rest on the worthy banners of the courageous Russian Army"; and

WHEREAS, We of the United States of America cannot in honor or in humanity do less than our utmost to aid these brave and invaluable allies and to mitigate their sufferings; and

WHEREAS, It is eminently appropriate that on the coming June 22, Americans should give public and material recognition to our obligations to the people of Russia,

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California do hereby proclaim the week beginning Monday, June 22, 1942 and ending June 27, as Aid-to-Russia Week and call upon the citizens of California to give practical effect to this proclamation by giving with open hands for Russian war relief work, by adopting in meetings of their organizations resolutions of appreciation and friendship addressed to the Russian people, and by renewing in their hearts our national pledge to fight side by side with all of our allies until freedom and the rule of law and honor return once more to all of the earth.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of June, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

PAUL PEEK
Secretary of State

PROCLAMATION

Calling for the fifth registration under the Selective Service Act

WHEREAS, the President of the United States, pursuant to the Selective Training and Service Act of 1940, as amended, (54 Stat. 885), has proclaimed that the fifth registration under said Act shall take place in the United States on the 30th day of June, 1942, between the hours of 7:00 a.m. and 9:00 p.m.; and

(a) Every male citizen of the United States, and every other male person residing in the continental United States or in the Territory of Alaska or in the Territory of Hawaii or in Puerto Rico, other than persons excepted by Section 5 (a) of the Selective Training and Service Act of 1940, as amended, and by Section 208 of the Coast Guard Auxiliary and Reserve Act of 1941, is required to and shall on June 30, 1942, present himself for and submit to registration before a duly designated registration official or selective service local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day if such male citizen or other male person has attained the eighteenth or the nineteenth anniversary of the day of his birth on or before June 30, 1942, or the twentieth anniversary of the day of his birth after December 31, 1941, and on or before June 30, 1942, and has not heretofore been registered under the Selective Training and Service Act of 1940, as amended and the regulations prescribed thereunder. The duty of any person to present himself for and submit to registration in accordance with any previous proclamation issued under said Act shall not be affected by this proclamation.

(b) A person subject to registration may be registered before the day set herein for his registration if arrangements therefor are made by the local board under rules and regulations prescribed by the Director of Selective Service. Whenever such arrangements are made, public notice thereof will be given by the local board.

(c) A person subject to registration may be registered after the day fixed for his registration in case he is prevented from registering on that day by circumstances beyond his control or because he is not present in continental United States or the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on that day. If he is not in the continental United States or the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on the day fixed for his registration but subsequently enters any of such places, he shall as soon as possible after such entrance present himself for and submit to registration before a duly designated registration official or selective service local board. If he is in the continental United States or in the Territory of Alaska or the Territory of Hawaii, or Puerto Rico on the day fixed for his registration but because of circumstances beyond his control is unable to present himself for and submit to registration on that day, he shall do so as soon as possible after the cause for such inability ceases to exist.

That the registration shall be in accordance with the Selective Service Regulations governing registration. Every person subject to

registration is required to familiarize himself with such regulations and to comply therewith; and

WHEREAS, the President of the United States has called upon the Governors of the several states and all officers and agents thereof and all local boards and agents thereof to do and perform all acts and services necessary to accomplish effective and complete registration;

Now therefore, I, CULBERT L. OLSON, Governor of the State of California, do proclaim as follows:

1. That the fifth registration under the Selective Training and Service Act of 1940, as amended, shall take place on Tuesday, June 30, 1942, between the hours of 7:00 a.m. and 9:00 p.m.

2. I call upon every male person in the State of California who is required to register pursuant to the proclamation of the President of the United States to present himself and register between the hours of 7:00 a.m. and 9:00 p.m. on the above stated date, before a local board or at any other place that may have been designated by the local boards for registration.

3. I call upon all local boards and agents thereof appointed under the provisions of the Selective Training and Service Act of 1940 or the Selective Service Regulations prescribed thereunder to do and perform all acts and services necessary to accomplish complete and effective registration.

4. I call upon all employers having employees who are required under said Act to register to permit such employees to absent themselves from their work without loss of pay in order to register.

5. I call upon the great news disseminating agencies of the press and radio to lend their utmost efforts to publicize the Proclamation of the President of the United States and the Proclamation of the Governor of the State of California and the Selective Service Regulations in every newspaper and periodical and over every broadcast facility within their respective jurisdictions.

6. I call upon all officers of the State of California and political subdivisions thereof to perform whatever acts may be required to insure registration pursuant to the President's Proclamation and the amended Selective Training and Service Act of 1940 and to perform such services without pay.

7. I call upon the people of the State of California to contribute whatever services may be required of them to insure that the proclamation of the President of the United States is carried into effect.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of June, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Urging vigilance among the citizenry in discovering and
apprehending saboteurs*

WHEREAS, recent developments on the Atlantic Seaboard have demonstrated the possibilities of sabotage within the boundaries of the Pacific Coastal states by enemy saboteurs landing on our shores in sparsely populated coastal areas, and

WHEREAS, careful vigilance on the part of all citizens of California, residing or traveling along our Pacific Coast areas for the observation of strange objects on the beaches, such as collapsible boats or other indications of the landings of enemy saboteurs, may be necessary for their detection, and

WHEREAS, it is the patriotic duty of every citizen to be on the alert to discover the landing of enemy saboteurs and any objects or evidences of this, and to immediately report the same to the nearest military commander of the Western Army Command;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, hereby call upon all citizens residing or traveling within or along the coastal areas of California to look out for landings of enemy saboteurs or evidence thereof, to take note of appearance of any strange objects on the beaches, such as collapsible boats or other landing equipment, and to forthwith report any such findings or evidences to the nearest military commander of the Western Army Command, and thereby assist in the detection of any saboteurs who may be attempting to enter California.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of July, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Declaring that discrimination in employment of workers because
of race, creed, color or national origin is contrary to
public policy*

WHEREAS, it is the policy of the government of the State of California and of the Government of the United States to encourage full participation in the National Defense Program by all persons within the State of California, regardless of race, creed, color or national origin; and

WHEREAS, there is evidence that available and needed workers have been barred from employment in industries engaged in national defense production and State Defense production because of considerations of race, creed, color or national origin, to the detriment of workers' morale and of unity;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim that any discrimination in the employment of workers in industry or in government, because of race, creed, color or national origin is contrary to established public policy; and I do hereby declare that it is the duty of all governmental agencies and all employers and of labor organizations, in furtherance of said policy, to provide for the full and equitable participation of all workers of undivided and unqualified allegiance to the government of the United States in all employments, without discrimination because of race, color, creed or national origin.

IT IS HEREBY ORDERED:

1. All departments and agencies of the State of California shall take special measures appropriate to assure that this proclamation and order shall be administered without discrimination because of race, creed, color or national origin;

2. All contracting agencies of the government of the State of California shall include in all contracts hereafter negotiated by them a provision obligating the contractor not to discriminate against any worker because of race, creed, color or national origin;

3. There shall be established in the Department of Labor of the State of California a committee which shall consist of a Chairman and two members. The Chairman and members of the Committee shall receive and investigate complaint of discrimination in violation of this proclamation and order and shall take appropriate steps to redress grievances which said committee shall also recommend to the several departments and agencies of the State of California and to the Governor all measures which may be deemed by it necessary or proper to carry out the provisions of this order.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 14th day of August, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

Calling upon public schools to help man the agricultural fields

WHEREAS, highschool and junior college boys and girls are needed by the tens of thousands to work in the harvesting of California crops vital to the winning of the war, and

WHEREAS, local school boards are authorized to determine opening and closing dates, declare holidays when reason exists therefor, to maintain an annual school term of 170 days and a minimum school day of 4 clock hours, to use school buses for transporting student farm workers, to provide supervision and otherwise use school district funds, property and personnel to meet this emergency, and

WHEREAS, all governmental agencies of every level including governing boards of school districts and their administrative officers must cooperate in supplying workers to save the crops of California

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California do hereby reiterate the desperate need of volunteer workers in agricultural fields including the need of the services of highschool and junior college boys and girls of California, respectfully request and call upon the State Department of Education and all local school boards to fully cooperate in providing for the services of these highschool and junior college boys and girls in the harvesting of California crops by fixing the opening and closing dates for school attendance and declaring holidays necessary for this function, and, also call upon them to encourage the students to respond to the need for their services in the agricultural fields of California:

I also call upon the State Board of Education and local school boards to provide the use of school buses for transporting these students and to provide for their supervision, direction and aid in meeting this emergency.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of August, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

PAUL PEEK
Secretary of State

PROCLAMATION

Declaring that an emergency exists in the state's food production program due to shortage of farm labor

WHEREAS the harvesting and processing of California's crops is a war necessity of primary importance to our armed forces, to our civilian population, and to our allies in the struggle for survival, and;

WHEREAS the crops of California are rapidly maturing, and must be harvested and processed promptly in order to prevent great economic loss, and

WHEREAS it has become fully apparent that a critical shortage of agricultural labor exists in the State of California, due to the entrance of thousands of workers into the armed forces and war industry; and

WHEREAS it now appears that agricultural labor in sufficient numbers will not be available from other areas or sources,

Therefore, I, CULBERT L. OLSON, Governor of the State of California, by virtue of the authority vested in me, do hereby declare that a serious emergency exists threatening loss of crops and of food production in California due to shortage of agricultural workers; and I appeal to every citizen, and to all citizen organizations to render a patriotic service to the State and Nation in this time of crisis by personally and directly assisting in harvesting and processing the crops, and I call upon every agency of State and County government to render every possible aid.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of August, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

PAUL PEEK
Secretary of State

PROCLAMATION

*Declaring September 1, 1942, to be "Poland Day"
in California*

WHEREAS, Tuesday, September 1, 1942, marks the third anniversary of the Nazi invasion of Poland, and

WHEREAS, the people of Poland have won the admiration of the people of the United States for their heroic resistance to barbaric invaders, and

WHEREAS, the Polish nation has never surrendered and is fighting and maintaining well-trained troops in England, Africa, Iraq and Russia, and

WHEREAS, it is fitting and proper that the citizens of California join with the people of the United Nations in paying a glowing tribute to the people of Poland for their noble efforts to defeat the Axis powers;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim Tuesday, September 1, 1942, as "Poland Day" in California and urge all patriotic, civic and fraternal groups and the people generally to take cognizance of the heroic efforts of the Polish people as an inspiration to our own citizens to contribute more in every way to the war efforts of our nation and the United Nations.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of August, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON

Governor of California

[SEAL]

Attest: PAUL PEEK

Secretary of State

PROCLAMATION

*Setting aside the Mexican national holiday, September 16th, as
Mexican Friendship Day, and calling for public observance*

Our Nation is at war against powerful and ruthless enemy nations and peoples. At our side in this great struggle stand the government and the people of our good neighbor republic, the United States of Mexico.

The Mexican Government and people are bound together by their devotion to the same ideals of freedom and democracy that we of this country hold dear. Therefore, their share of the burden of the war will be carried and their share of responsibility for winning the war will be discharged with enthusiasm, energy, fidelity and determination equal to our own, and leading, moreover, to like peacetime goals.

Mexico and California have a common boundary. Hundreds of thousands of Mexican citizens reside in California. Thousands of Californians reside in Mexico. The very cultures and histories of the two states have much in common, even unto their origins. Commercially, we are very largely dependent upon each other.

Therefore, the friendship that exists between the peoples and the governments of the two states, Mexico and California, is strong because it is natural, and real because it is mutual. Moreover, it is of the greatest possible importance to us all, now that our peoples are "brothers in arms."

September sixteenth, being Mexico's national independence day, offers us a special and timely opportunity to evidence and celebrate our friendship for Mexico.

Now, therefore, I, CULBERT L. OLSON, Governor of California, do hereby designate Wednesday, September sixteenth, 1942, for general observance as Mexican Friendship Day in California, and I hereby give public notice that public ceremonies, celebrating Mexican independence and honoring the government, the people and the President of Mexico, will be held and conducted in front of the State Building in Los Angeles on Wednesday, September sixteenth, 1942, at 10:30 o'clock in the morning.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 29th day of August, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

PAUL PEEK
Secretary of State

PROCLAMATION

Setting aside September 26, 1942, as Indian Day in California

WHEREAS, in 1775 the American Indians were the first allies of the American colonists in their fight for freedom to bring about the birth of these United States, and

WHEREAS, in the Spanish American War many Indians took part and many gave their lives to preserve the integrity of their county and beseege her enemies, and

WHEREAS, in the first World War some 17,313 American Indians served in the various branches of our Armed Forces, and

WHEREAS, in the present war against the forces of Fascism many thousands of Indians have enlisted in the cause of Democracy and are now serving and fighting on the various fronts of the world for the preservation of Democracy and those serving in peace-time pursuits are patriotically and diligently buying defense bonds and are otherwise active in the prosecution of our cause,

Therefore, I, CULBERT L. OLSON, Governor of the State of California do proclaim the last Saturday in September as American Indian Day and urge all public schools, highschools, colleges and universities to devote at least one hour of their time on that day, or if not in session, one hour of a day immediately prior thereto to fitting programs honoring the American Indian and dealing with the many fine qualities of this great race.

I further urge that historical societies, patriotic organizations, boy scouts, girl scouts and other similar organization, associations and groups prepare fitting programs and devote themselves to the study of the history and background of the American Indian.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 5th day of September, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON

Governor of California

[SEAL]

PAUL PEEK

Secretary of State

PROCLAMATION

*Establishing a 35-mile per hour speed limit in California and
calling for the enforcement thereof*

WHEREAS, by executive order the President of the United States has vested in the Director of Defense Transportation the authority to take all necessary measures to conserve the highway transportation facilities of the nation; with particular reference to the conservation of rubber; and

WHEREAS, pursuant to the authority so vested in him, the Honorable Joseph B. Eastman, Director of Transportation, on September 26, 1942, issued an order designated as General Order, Office of Defense Transportation No. 23, which in part reads as follows:

“Section 501.126 Limitation on Speed. No person shall drive or operate or cause, permit, suffer or allow to be driven or operate any motor vehicle within the continental limits of the United States at a rate of speed which is (1.) in excess of the applicable speed limit duly prescribed by competent public authority, or (2.) in excess of thirty-five (35) miles per hour, whichever rate of speed is the lesser.

“Section 501.127 Exemption. The provisions of this sub-part shall not apply to: (A.) Any motor vehicle driven or operated by or under the direction of the military or naval forces of the United States, or state military forces organized pursuant to Section 61 of the National Defense Act as amended.

“(B.) Any motor vehicle when driven or operated in emergency for the protection or preservation of life, health, or for public safety: providing that this paragraph shall not be so construed as to authorize any such motor vehicle to be driven or operated at a rate of speed in excess of that which is reasonable under conditions prevailing at said time.

“Section 501.129 Effective Date. This sub-part shall become effective October 1, 1942 and shall remain in full force and effect until further order of the office of Defense Transportation, except that as to any person operating any motor vehicle for hire in scheduled regular route service, shall become effect on October 15, 1942.”

and,

WHEREAS, said order is fully justified by the present war emergency existing in the nation, and particularly in the State of California, a state of emergency having been proclaimed to exist within the State of California by proclamation of the Governor thereof on December 14, 1941; and

WHEREAS, it is necessary that the speed limit so ordered be observed, and that provision be made for the enforcement thereof in order to conserve public and private transportation in this State;

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, under and by virtue of the authority vested in me as chief executive of the State of California, and in response to the appeal to all state and local governments to make effective the said order of the Director of Defense Transportation, do hereby declare and proclaim that it is necessary to the war effort that the said speed regulations above set forth be strictly observed in the State of California from and after October 1, 1942, except that this order shall not be deemed to increase any existing speed limit within the State of California.

I further call upon each and every driver of a motor vehicle within the State of California, as his patriotic duty, to observe said speed limit to conserve to the fullest extent the rubber which is so vital to the war effort.

I hereby direct the Director of Motor Vehicles, acting through the California Highway Patrol and the Division of Drivers' Licenses of the Department of Motor Vehicles, to take all lawful action necessary to enforce said speed limit and to compel observance thereof with all facilities at his command, and request that all local law enforcement agencies likewise take all lawful measures to enforce said speed limit within their respective jurisdictions.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of September, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Urging voluntary observance of "Meatless Tuesdays" each week
for the duration of the war*

The necessity of conserving the consumption of meats has been urged by the President of the United States through the Food Requirements Committee of the War Production Board and the Office of Agricultural War Relations of the United States Department of Agriculture.

The Hotel and Restaurant industries of California have indicated their eagerness to cooperate with the Federal Government in a program designed to curtail consumption of meat so that the requirements of our armed forces and of our lend-lease obligations may be met.

The people of California have many times demonstrated their willingness to make any sacrifices necessary to win the war, even to the extent of self denial of commodities considered necessities of life. I therefore feel no hesitancy in calling upon the people of California to observe one meatless day in each week on which no meat in the form of beef, veal, lamb, mutton and pork shall be consumed in any household, restaurant, hotel or other eating establishment in the State of California. Excluded from this provision, however, shall be the so-called variety meats, which include liver, heart, kidneys, sweetbreads, tongue and meats made from the head and feet of animals.

Now, therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim that each Tuesday, starting with November 3, 1942, and continuing for the duration of the war, shall be a "meatless day" in the State of California, during which all citizens will cooperate with the war effort by voluntarily foregoing the consumption of the meats enumerated herein.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of October, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Calling upon all citizens to limit their total meat consumption
to two and a half pounds per week*

WHEREAS, as a necessary war measure to provide meat for our armed forces and fighting Allies, an order has been made by the Federal Government restricting supplies of meat for civilians,

WHEREAS, civilian supplies, while normal in size, are smaller than would be bought at present high purchasing power, which will finally require rationing, and

WHEREAS, meantime it is essential that citizens act voluntarily for fair sharing of available meat supplies, and the Food Requirements Committee of the War Production Board, and the Office of War Information, with the assistance of the Nutrition Division of the Office of Defense Health and Welfare Services, and the Office of Civilian Defense have developed a national Share-the Meat program for action by individual citizens who are called upon to hold their consumption at the fair share of $2\frac{1}{2}$ pounds per week for each adult and adolescent, and it becomes the duty of all of us to come within that level so that each person, including war workers, will get his fair share of the wartime meat supply,

Now therefore, I, CULBERT L. OLSON, Governor of California, hereby call upon all citizens and residents of California to limit their consumption of meat at the fair share of $2\frac{1}{2}$ pounds per week for each adult and adolescent, and hereby request the Committee on Health, Welfare and Consumer Interest of the State Council of Defense, and the several local Defense Councils and their Nutrition Committees, to assist in this voluntary meat rationing program and to conduct educational work so as to inform the public generally of this appeal of the National and State Administrations for patriotic cooperation and to coordinate their work with the Federal agencies in this endeavor to truly serve the national interest in this critical phase of the wartime program on the home front.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 12th day of November, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

PROCLAMATION

*Setting aside Thursday, November 26, 1942,
as Thanksgiving Day in California*

WHEREAS, The President of the United States has proclaimed Thursday, November 26, 1942, as a day for National thanksgiving; and

WHEREAS, Even in the midst of bloody world-wide war we have much for which to be thankful: Our Nation is meeting the test of its ability to survive with courage; our people are unflinchingly making all sacrifices which are necessary; our armed forces are bearing the burden of battle with bravery; our workmen in the assembly lines and our farmers in the fields are faithfully dedicating their energies to our all-out effort; and all of the people of America are one in their determination to preserve liberty and democracy, and

WHEREAS, Our crops are bountiful, our people healthy, our State spared from natural calamity; and

WHEREAS, It is fitting that one day of thanksgiving each year be observed as a day for religious and patriotic consecration; a day of gratitude for the blessings of the past; the opportunities of the present and the hopes of the future; a day of rededication when we pledge to our country the best that is in us for the preservation of our democracy;

Now, Therefore, I, CULBERT L. OLSON, Governor of the State of California, do hereby proclaim Thursday, November 26, 1942, as Thanksgiving Day in California, setting it aside as a legal holiday. I urge all citizens to take part in the observances of Thanksgiving Day this year and request the American Flag to be displayed on all public buildings and homes throughout the State.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of November, A. D. one thousand nine hundred forty-two.

CULBERT L. OLSON
Governor of California

[SEAL]

Attest: PAUL PEEK
Secretary of State

MEMORANDUM

In explanation of veto of Released Time Bill

Senate Bill 542, received from the Legislature June 9, 1941, provides that:

"The governing board of each school district which maintains an elementary school is hereby authorized and empowered to provide for the moral and religious instruction of pupils in the elementary grades subject to the jurisdiction of such board in the manner in this section provided, that is to say:

"At times to be fixed by the board, it may excuse such pupils of the elementary grades whose parents or guardians so request, for one hour each week, for the purpose of attending their respective place of worship, or some other suitable place or places, there to receive moral and religious instruction.

"Each governing board is authorized to adopt rules and regulations for carrying into effect the provisions of this section, and to make necessary and satisfactory arrangements with the respective authorized representatives of the several religious groups, churches, and/or denominations for the giving of the aforesaid moral and religious instruction and the reporting of attendance.

"Pupils attending their several places of worship for moral and religious instruction therein at the time, or times, and for the period, or periods, fixed shall be credited with the time so spent as if such pupils had been in actual attendance at school. Any child whose parents or guardian does not elect for him to receive the aforesaid moral and religious instruction, shall remain in school during the period, or periods, when such instruction is being given as herein provided."

I received many communications for and against this bill becoming a law, all written by citizens laudably concerned in the moral and religious instruction of children, and I appreciate having received the views of so many good citizens of California, intended to constructively aid me in passing upon the merits of this bill. I carefully considered all of these conflicting views, along with an analysis of the specific provisions of this bill, and finally concluded to withhold my approval thereof for the following reasons:

1. Moral instruction of pupils, that is to say, character building, good behavior, the rewards of virtuous and ethical conduct, as distinguished from the teaching of a particular religion, is a part of the work of the public school system.

2. To provide for the mixing of religious denominational teaching as a part of the school work, with school credits given to pupils who may be excused from school for that purpose, it seems to me is contrary to the spirit, if not the letter, of the provisions of our State Constitution, which are intended to maintain complete separation of church activities and the public school system. Under this bill, attendance of pupils at

the churches of their choice or of the choice of their parents or guardians, during school hours, is deemed a part of the hours of school attendance, and the governing boards are empowered to make arrangements for religious instruction in the several denominational churches as a part of their work.

3. I fully appreciate the advantage of the moral training of children by the churches as well as by the schools, and it does seem to me that ample opportunity is afforded the pupils of the public schools for religious instructions in the churches of their choice or of the choice of their parents or guardians on the Sabbath Day and during any of the hours of the day when the pupils are not required to attend the public schools. These hours of attendance of pupils in the elementary grades of the public schools are few during each of the five school days of the week during that part of the year when schools are open. The months, days and hours within which they are out of school, free to attend their churches and there receive religious and moral instruction far exceed their time in school, and I can not see that the provisions of this bill are necessary to accomplish the worthy purposes intended by it.

4. The effect of an exercise by a governing board under the powers given by this bill would undoubtedly interfere with the orderly work of the schools as applied to all pupils. Some would remain in school during regular school hours, while others would be excused from attendance. Either those who are absent will thereby miss work covered during their absence, and become deficient in keeping up with their class, or the work covered a second time for the benefit of those excused.

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